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General

Micro Nuclear Reactors for Pakistan, Iran, Ghana

OW1003081992 Beijing XINHUA in English
0738 GMT 10 Mar 92

[Text] Beijing, March 10 (XINHUA)—China has completed the construction of one more micro nuclear reactor for commercial purposes at the Shanghai Institute of Testing Technology.

This is the third micro nuclear reactor designed and built by the Chinese Atomic Energy Research Institute. The institute has also exported a micro nuclear reactor to Pakistan and signed export contracts with Iran and Ghana.

The reactor is mainly used to provide neutron sources for the analysis of neutron activation. It can determine the content of most known elements.

Government May 'Further Relax Import Controls'

HK1003065992 Hong Kong AFP in English
0647 GMT 10 Mar 92

[Text] Hong Kong, March 10 (AFP)—China might further relax import controls when the government reviews its import and export licensing system later this month, a Chinese trade official was quoted as saying here.

Zhang Yaolin, an official responsible for this sector at China's Ministry of Foreign Economic Relations and Trade, told local reporters here on Monday that Beijing would review the licensing system at the end of the month.

Imports and exports would be discussed as single subject and provincial officials in charge of foreign trade would be called to Beijing to attend further meetings late next month, Zhang said.

He said China might relax controls on the import of certain foreign commodities, but did not specify what the goods were.

The move was intended to facilitate China's application to join the General Agreement on Tariffs and Trade (GATT) and keep its promise to open its market to the United States, Zhang said.

The official said China would continue to import timber and raw materials from the United States, the Commonwealth of Independent States and countries in southeast Asia.

He said that China's barter trade with the former Soviet Union would continue for a period.

'Roundup' Views Europe-U.S. Trade Conflicts

OW0503122592 Beijing Central People's Radio
Network in Mandarin 0500 GMT 5 Mar 92

["Roundup" by station reporter Jing Lei: "Is it a Europe for Europeans or a Europe for Americans?"; from the "International News and Current Events" program]

[Text] Europe has been at the beck and call of the United States, the latter of which has long been responsible for Europe's defense under the security umbrella of NATO arrangements. However, relations across the Atlantic are undergoing change because of economic and political developments in Europe as well as the relative erosion of American economic might in recent years.

The 13 January edition of the United States' magazine TIME carried an article by Thomas McCarroll which says: Once upon a time, America was the globe's economic sun. Recessions there tended to darken every economy in the Western orbit. But the pull of U.S. gravity may be fading. The U.S. economy contracted by 0.5 percent last year, but Germany's expanded by 3.2 percent, Japan's by 4.5 percent, France's by 1.4 percent, and Italy's by 1 percent. While this surprising degree of independence may not lead to the decoupling of the Western alliance, it does portend a vast reordering of the economic spheres of influence.

There are elements of truth to the TIME analysis. EC-led European countries are attempting to alter their subordinate position to the United States in order to create a Europe for Europeans. Consequently, sharp conflicts have flared up between Europe and the United States on many issues—including trade, defense policy, interest rates, and aid to the Commonwealth of Independent States.

Let us discuss trade conflicts. A commentary in the U.S.-based WASHINGTON POST states: As the Soviet Union disintegrated, its economic cooperation with major Western countries dissolved, making economic war a new conflict in its relations with the West. The six-year-old Uruguay Round of talks—also known as the eighth round of multilateral global trade talks—constitutes the main battleground of this economic war.

Thus far, the talks have been unsuccessful because of the intransigence taken by the United States, Japan, and West Europe regarding reduction of subsidies for agricultural products. Mindful of the peculiar structure of their own agricultural sectors and driven by their own interests, the United States and Europe have advanced formulas that are favorable to their positions for holding talks. The United States insists on slashing subsidies for agricultural products and exports by 75 percent and 90 percent respectively over the next decade. For its part, the EC plans to cut agricultural subsidies by 30 percent before 1996, taking the amount of subsidies in 1980 as the basis.

To hasten the talks, last year Dunkel—chairman of the committee for the trade talks and director general of the GATT—presented a final draft on the outcome of the Uruguay Round of multilateral trade talks. Taking into account of the interests of all parties, the draft calls on all parties to slash subsidies for agricultural products and exports by 20 percent and 36 percent respectively over the next six years. It also calls for reducing the export volume of subsidized agricultural products by 24 percent. This is the so-called Dunkel proposal.

Since its release, the Dunkel proposal has been generally welcomed by all parties as laying a solid foundation for the final stage of the Uruguay Round. The EC—which objects to and calls for amending the proposal's provisions regarding agricultural products—has signaled a desire to continue the talks on the basis of this proposal. However, this does not spell an end to European-American trade conflicts.

Speaking in mid-January of this year, Bush criticized the EC for repeatedly stalling the Uruguay Round by rejecting the proposal for slashing agricultural subsidies on protectionist grounds. While objecting to such disparaging remarks, EC President Delors sharply criticized U.S. President Bush's attempt to blame the impasse in GATT talks on the EC, saying the attitude does not help bring any closer the divergent views of the two sides.

Speaking during his visit to Europe at a security conference in Munich on 9 February, U.S. Vice President Quayle called for linking trade and security issues in U.S.-European relations, alerting EC member states to the inseparability of trade and security issues as well as to the linkage between the Uruguay Round of multilateral trade talks and NATO. He cautioned: Trade protectionism in Europe has led a growing number of Americans to question NATO's *raison d'être*. The breakdown of the GATT talks will fuel trade protectionist sentiments in the United States, resulting in a stronger call for withdrawing all U.S. troops from Europe.

Lugar, the U.S. Senator from Indiana who attended the talks, added fuel to the flames by saying: The United States has contributed manpower and funds to the defense of Europe's security by maintaining troops over there. Instead of feeling grateful toward the United States, Europe has taken an antagonistic stance on trade issues. This is unacceptable.

European participants in the talks immediately took offense at the remarks by Quayle and Lugar. Van Den Broek, minister of Foreign Affairs for the Netherlands, openly criticized the United States for threatening EC member states with abandonment of its NATO obligations. Portuguese Foreign Minister Pinheiro, whose country currently chairs the EC, said: Whoever assumes that Europe would capitulate to political pressure will be committing a gross mistake.

U.S. President Bush promptly offered an explanation, saying that there is absolutely no connection between the

size of U.S. troops deployed in Europe and the deadlocked global trade talks. However, the sting of Quayle's remarks may not wear off anytime soon among the people of Europe. On 21 February, U.S. Trade Representative Hills accused the EC of implementing protectionist measures in the telecommunications and electric power sectors by encouraging relevant departments to buy EC-made products. She warned that the United States would impose trade sanctions effective 1 January 1993 if the EC did not stop its longstanding practices in this respect. On 24 February an EC spokesman flatly rejected the U.S. condemnation, accusing the United States of adopting discriminatory trade practices by encouraging relevant domestic departments to purchase American products on a priority basis.

Instead of subsiding quickly, the trade friction between Europe and the United States is likely to escalate as the world scene undergoes further changes.

Cheney: Navy Prepared To Search DPRK Vessel

*OW1003062692 Beijing XINHUA in English
0446 GMT 10 Mar 92*

[Text] Washington, March 9 (XINHUA)—U.S. Defense Secretary Richard Cheney said today the U.S. Navy is prepared to inspect a freighter of the Democratic People's Republic of Korea (DPRK) if the vessel reportedly carrying Scud-C missiles is really heading for Iraq.

Speaking to reporters during a visit to the U.S. West Point military academy near New York, Cheney said if the ship was found to be carrying cargo that United Nations Security Council resolutions had not authorized to go to Iraq, the ship could be turned back.

"If the manifest isn't proper, if the cargo isn't properly accounted for, the papers not in order, then the ships are diverted," Cheney said.

"That's the rule we apply to any ship that comes into the region regardless of whether it is a North Korean ship or from any other locale," he added.

Pentagon officials said four U.S. warships were tracking DPRK freighters in the Indian Ocean which the U.S. intelligence suspected of carrying Scud-C missiles to Iran and Syria.

But it was unclear whether official orders had been issued to stop the ship.

U.S. CBS-TV network reported last week that the DPRK ship declared it was bound for Africa, but U.S. officials said they believed it was heading for the Iranian port of Bandar 'Abbas.

World Bank Calls for 'More Family Planning'

*OW1003035292 Beijing XINHUA in English
0322 GMT 10 Mar 92*

[Text] Washington, March 9 (XINHUA)—More family planning could reduce by half the 500,000 women who

die from childbirth throughout the world every year, World Bank President Lewis Preston said today.

About a quarter of the deaths result from unsafe abortions, he told the opening session of a three-day international conference on safe motherhood attended by 120 delegates from 20 developing countries.

Statistics from the World Bank showed that 99 percent of the half a million women dying from childbirth each year are in developing countries, many of them teenagers.

A woman giving birth in Africa has a one in 18 chance of losing her life; in Asia, it is one in 54; in Latin America, one in 73. Comparative figures in northern Europe are one in 10,000.

For every woman who dies, some 100 more suffer from complications and permanent disabilities.

These are the stark statistics behind the safe motherhood initiative, an international effort launched in 1987 to address this problem. The goal of the initiative is to halve maternal mortality and morbidity by the year 2000.

Facing the fact, World Bank President Preston listed today three priorities: making pregnancy as safe as possible by training health providers and caring for mothers, increasing education and opportunities for women, and making family planning available.

"Family planning is particularly important for adolescent girls, who jeopardize their future by becoming mothers while they themselves are still children," he said.

The conference was hosted by the World Bank, which in the year ending last June put 1.3 billion dollars of its 24 billion dollars in Third World lending into projects dealing at least in part with the health of mothers—more than twice the figure of five years ago.

Earlier, James Grant, executive director of the U.N. Children's Fund, announced measures to reduce deaths of babies and mothers by encouraging breast feeding in nine countries: Brazil, Nigeria, Mexico, the Philippines, Thailand, Bolivia, Kenya, Ivory Coast and Gabon.

Editorial Discusses 'Foiled' Tibetan Issue

HK1003091392 Hong Kong WEN WEI PO
in Chinese 10 Mar 92 p 2

[Editorial: "'Internationalization of Tibetan Issue' Has Been Foiled"]

[Text] The UN Human Rights Commission [UNHRC] passed earlier this month, with more than a half of its votes in favor, the Pakistan resolution "not to take actions on the draft resolution on the 'China-Tibetan

Situation'," thus foiling the conspiracy of "Tibetan independence" plotted by some people in an attempt to use the human rights issue to interfere in China's internal affairs.

At the beginning of this year, i.e., on the eve of a human rights meeting, a handful of Tibetans living in exile in Switzerland staged so-called "Tibetan independence" demonstrations everywhere. Some of the Western media also whipped up opinion for the "Tibetan independence" elements, and some so-called "popular" organizations also fabricated so-called "investigation material" to preposterously attack China in a bid to internationalize the "Tibetan independence" issue. At the human rights meeting, certain countries quoted and repeated the so-called "investigation material" of some nongovernmental organizations, trying to have the "Tibetan issue" listed as an item of intervention by the UNHRC to facilitate their future backing of the small handful of separatists who are living in exile abroad.

These countries' attempt to interfere in China's internal affairs has met with failure. A foreign press agency commented on the news saying: "Observers believe this to be a CPC victory in foreign affairs." They are right in such remarks, though they are not thoroughgoing enough, because this is a principled issue involving the future new international order, namely, an issue of whether the UN Charter should be abided by, and whether big powers and rich countries can dominate at will the destiny of small and poor countries, disintegrate sovereign and independent countries, wantonly incite separatists of other countries, and stir up unrest and disturbance under all sorts of pretexts.

Over the past century, hegemonists have disintegrated a number of small and poor countries under the excuse of "human rights." The most outstanding example is India, which has been separated into India, Pakistan, and Bangladesh, whose people have shed blood and made sacrifice. Many civil wars in Third World countries have also been products of the imperialist policy of "dividing and ruling." Precisely because of this, India, Pakistan, and other Third World countries, which were victims of the policy, have stood firm on the Chinese side and foiled some people's attempt to use the UNHRC to interfere in China's internal affairs. On this issue, China shares the same destiny and holds identical views with the vast number of Third World countries. Certainly, China has persistently developed friendly relations with various countries in accordance with the five principles of peaceful coexistence and gained praise and friendship from various countries. A just cause enjoys abundant support. This is why China won the diplomatic victory at the human rights meeting. What is more, a trend calling for all countries, no matter how big or small, to be equal has emerged in the present world, and it is no longer possible for anyone to establish a monopolistic power to dominate the world. Ignoring this reality, one will not be able to understand the background of the failure of some countries hoping to adopt the political intervention resolution at the human rights meeting.

At the human rights meeting, some people used the quoted material to advocate "national self-determination" in Tibet, absurdly stating that "Tibet is an occupied country." China's abolishment of the serf system in Tibet was nonsensically said to be "practicing colonial rule" in Tibet. They tried to squeeze the aforesaid stuff into the UN secretary general's "explanations."

The Chinese deputies refuted the falsehood with facts. The "Manifesto of Independence for Colonial Countries and People," passed in accordance with UN Resolution No. 1514, clearly stated long ago that "basic human rights were denied and the UN Charter violated where the people were conquered, ruled, and exploited by foreign countries"; "any attempt aimed at partially or wholly splitting the unity of a country and destroying its territorial integrity violated the UN Charter's purpose and principle"; and "all countries should honestly implement, on the basis of equality and noninterference of others' internal affairs, the 'UN Charter,' 'Manifesto of World Human Rights,' and the provisions of this 'Manifesto.'" Tibet is not a colony, but a Chinese territory since ancient times. In modern history, who was practicing colonialism in Europe during capitalism embryonic period? It is a fact known to all. So, it is a monstrous lie to confuse history and say that China is a "colonialist country."

But, the "human rights principle" has been taken precisely as a common excuse by a small number of European colonialist countries to interfere in other countries' internal affairs and invade them. It remains fresh in the Chinese people's memory that, in modern history, foreign countries had a hand setting up a protectorate in Tibet. They claimed that they were "concerned with Tibet's human rights," but they avoided the past human rights conditions in Tibet under the serf system. They made a mistake in treating Tibet as a country and discussing the Tibetan issue with the international law. The colonial rule has ended but, today, some people still intend to bring back to life the "human rights principle" of their colonialist ancestors and preach "Tibetan independence." Will they not run into a stone wall if they go against the trend of the times?

Shanghai Plans International Publishing Symposium

OW0903154392 Beijing XINHUA in English
1516 GMT 9 Mar 92

[Text] Shanghai, March 9 (XINHUA)—Shanghai, China's largest industrial city, will host an international symposium on literature and art publishing this October.

This was announced at a press conference here today by Jiang Zengpei, chief editor of the Shanghai Literature and Art Publishing House, which is one of the seven sponsors of the symposium.

The symposium will be the first international activity on publishing China has ever hosted, according to Jiang Zengpei.

Jiang said that the symposium will discuss the issue of China's entering the international copyright organization and the prospects of China's cooperation with other countries and regions in the publishing field.

The symposium will be attended by representatives from some 20 overseas publishing houses.

It will be the fourth international cultural exchange activity hosted in Shanghai this year. The other three are the international art festival, international television festival, and international cartoon festival.

Shanghai, one of China's leading publishing bases, has developed partnerships with a great number of publishing houses in other regions, both domestic and overseas, in recent years. Last year alone, it bought copyrights for 42 kinds of publications from overseas and sold copyrights for 112 kinds of publications overseas.

United States & Canada

Vice Minister Discusses U.S. Trade, Relations

OW0903223292 Beijing XINHUA Domestic Service
in Chinese 1404 GMT 9 Mar 92

[By reporter Zhao Renfang (6392 0088 2455)]

[Text] New York, 8 March (XINHUA)—Vice Foreign Minister Liu Huaqiu said here that China is accelerating its pace of reform and opening to the outside world. He was attending the Fourth Session of the Preparatory Committee of the U.N. Conference on Environment and Development here as the head of the Chinese delegation.

Liu Huaqiu made these remarks during a dinner given by the (Federation of Chinese Mass Organizations in New York) on the evening of 8 March.

On Sino-U.S. relations, Liu Huaqiu said: With efforts made by both sides, the heads of the governments of the two countries met with each other, and the Chinese and American foreign ministers exchanged visits. Economic relations and trade between the two countries have grown tremendously and continue to grow. Exchanges between the two sides are increasing constantly and the number of American tourists to China has exceeded that of two years ago.

Liu Huaqiu said: Growing Sino-U.S. trade and increasing American investment in China show that China's investment environment is becoming better and better, and it is safe to do business there.

Liu Huaqiu will leave New York for Washington on a visit at the invitation of U.S. State Department.

Li Tieying, Li Guixian Meet U.S. Computer Head
OW0903124592 Beijing XINHUA in English
1226 GMT 9 Mar 92

[Text] Beijing, March 9 (XINHUA)—James A. Unruh, chairman and chief executive officer of a U.S. computer company, the Unisys Corporation, donated 10 units of mini computer systems to the State Education Commission of China on behalf of his corporation here today.

Li Tieying, state councillor and minister in charge of the commission, met with and hosted a dinner in honor of Unruh and his party following the donating ceremony.

Earlier today Vice-Premier Zou Jiahua, and State Councillor and Governor of the People's Bank of China Li Guixian also met with Unruh and his party separately here today. They had friendly conversations on expanding cooperation between the two sides.

At the ceremony held at the Diaoyutai State Guesthouse, Vice-Minister of the Chinese Education Commission Teng Teng, said, the donation indicated that Unruh attaches importance to developing friendship between the people of China and the United States, and enthusiastically supports the development of China's education undertakings.

Teng expressed sincere thanks for the donation on behalf of the commission. He also expressed the hope that the cooperation between Unisys and China's education circles will continue.

Unruh said, "As an appreciation of the long standing cooperation between Unisys and China, and as a token of our wish to contribute to the education of China's youth, I am pleased to present these units."

Since 1979, the products of Unisys have been chosen to be used by various trades in dozens of China's provinces and cities.

Unruh, who visited China in 1988, said during his current visit he is very pleased to see that China is continuing its economic reform and opening at an even faster pace.

Unruh and his party arrived in China for a visit at the invitation of China's education commission.

NPC Vice Chairman Meets U.S. Friendship Group

OW0903035592 Beijing XINHUA in English
0331 GMT 9 Mar 92

[Text] Beijing, March 9 (XINHUA)—Sun Qimeng, vice-chairman of the Chinese National People's Congress Standing Committee, met with a delegation of the U.S.-China People's Friendship Association led by its president Barbara Harrison here this morning.

They had a friendly conversation on promoting bilateral friendship.

The U.S. visitors arrived in China February 29 as guests of the Chinese People's Association for Friendship With Foreign Countries.

Congressman Assails Pentagon Defense Strategy

OW1003035192 Beijing XINHUA in English
0320 GMT 10 Mar 92

[Text] Washington, March 9 (XINHUA)—A leading Democratic senator criticized the Pentagon today for harboring "the old notion of the United States as the world's policeman."

Senator Joseph Biden, chairman of the Senate Foreign Relations Subcommittee on European Affairs, made the comments in reference to a Pentagon document which said future U.S. political and military missions should ensure that no rival superpower be allowed to emerge in the former Soviet Union, Asia or Western Europe.

The document, a draft version of the defense planning guide, was first reported by THE NEW YORK TIMES yesterday.

Biden said that the Defense Department "having labored mightily, is nearing completion of an eminently predictable document."

"The Pentagon version, even while disclaiming it, reverts to the old notion of the United States as the world's policemen—a notion that, not incidentally, will preserve a large defense budget," he said.

The Pentagon has asked Congress for a 1.2 trillion dollar budget over the next five years to accomplish its future missions with a 1.6 million-strong military force.

Its budget requests have already come under fire in Congress, with some members calling for a 50 percent cut in military expenditure to release funds for domestic use.

Central Eurasia

XINHUA Views Former USSR 'Hot Spots'

OW0503100392 Beijing XINHUA Domestic Service
in Chinese 2119 GMT 4 Mar 92

["News Information" by reporter Zhang Guowang (1728 0948 2489): "Some Hot Spots in the Territory of Former Soviet Union"—XINHUA headline]

[Text] Beijing, 5 March (XINHUA)—**1. Chechen-Ingush Incident**

Following the "19 August incident"—which occurred in the former Soviet Union in 1991—some people staged demonstrations in Grozny, the capital of the Chechen-Ingush Autonomous Republic within the Russian Republic, urging the chairman of the supreme Soviet committee of the autonomous republic to step down. On 6 September, people from opposition groups rushed into the parliament building, forcing the parliamentary

chairman to resign. The mayor of Grozny was forced to kill himself by jumping from a building. On 27 October, retired soldier Dudayev—of Chechen nationality—staged a coup and got himself elected president of the republic in an election. The Chechen people declared the formation of an independent Chechen Republic on 2 November. The Ingush people established an autonomous oblast under the Russian Federative Republic at the beginning of January this year. On 8 January, Chechen and Ingush formally demarcated their borders.

On 7 and 8 February, Russian air defense troops stationed in Grozny came under attack by armed masses. Similar cases also occurred in other regions of the Chechen republic. On 1 February, President Dudayev of the Chechen Republic delivered a TV speech, stressing that the situation in the republic was "extremely complicated." He called on the people and military in the republic to show courage and restraint, and avoid organized provocations made by "both covert and overt enemies."

2. Nagorno-Karabakh Conflict Between Azerbaijan and Armenia

Nagorno-Karabakh, an autonomous oblast in Azerbaijan, has an area of 4,400 square kilometers with a population of 180,000—76 percent of which are Armenians and 23 percent Azerbaijanis. In February 1988, the oblast's soviet committee adopted a resolution demanding its annexation by Armenia. Since then, contradictions between Armenians and Azerbaijanis have become increasingly serious with each passing day. On 2 September 1991, Nagorno-Karabakh declared itself a republic. Its independence from Azerbaijan escalated the conflict.

At the beginning of this year, conflicts between the two sides became worse. Both sides used heavy weapons such as rocket artillery and tanks, causing grave losses to both human and material losses.

On 17 February, the Conference of Security and Cooperation in Europe sent an observation team to visit the Nagorno-Karabakh region. In the final 10-day period of February, Iranian Foreign Minister Velayati was invited to visit Azerbaijan and Armenia to carry out a mediation mission. However, his trip produced few results.

On 20 February, the Armenian and Azerbaijani foreign ministers met in Moscow to discuss this long pending issue. A joint communique issued in the wake of their meeting contained an article on "the immediate ceasefire in the Nagorno-Karabakh region." Actually, their meeting did not change the complexity of the situation. On 26 February, Armenian troops launched an offensive in the Nagorno-Karabakh region. They pushed the Azerbaijani troops out of Khodzhal and took control of the local airport. On 28 February, commander-in-chief of CIS Armed Forces Shaposhnikov ordered troops stationed in Nagorno-Karabakh to get out of the region. However, there has been no sign that the conflicting parties are ready to lay down their weapons.

3. Internal Strife in Georgia

In May 1991, Zviad Gamsakhurdia was elected president of the Republic of Georgia. In September Tengiz Siguya, former premier of Georgia and current opposition leader, accused Gamsakhurdia of "acting arbitrarily" and "practicing an economic self-isolationist policy," demanding that the president step down and dissolve the parliament. Since then, pro- and anti-government factions have been in serious confrontation, erupting into armed conflict on many occasions.

On 2 January, after getting the upper hand in the military confrontation, the opposition faction declared through a radio broadcast that President Gamsakhurdia had been deposed, the parliament had ceased to function, a military council headed by Tengiz Kitovani and Dzhaba Ioseliani had been established, and Siguya had been appointed premier. Having been defeated by the opposition, Gamsakhurdia was forced to seek political asylum in Armenia on 6 January. However, on 16 January he returned to Sukhumi, a small town in western Georgia, where he called on his supporters to "march toward Tbilisi" and declared the "beginning of a civil war." After more than 10 days of fierce fighting, Gamsakhurdia and his supporters were defeated, and he again went into exile in the Chechen Republic.

At present, the situation in Georgia has gradually become clear, and the interim government is basically in control of the republic.

4. Ethnic Disputes in Moldova

Moldova was the former Soviet Socialist Republic of Moldavia. It declared independence on 27 August 1991. Its residents are mostly Moldovans (63 percent), who share the same ethnic background and language with the Romanians. They live west of the Dnestr River, which is close to Romania. Other large ethnic groups include Russians and Ukrainians, who live mostly east of the Dnestr River, and several hundred thousand Gagauz and Bulgarians, who live mainly in southern Moldova.

In May 1989, the Moldovan Government promulgated a draft law of language, recognizing Moldovan as its national tongue. Some Moldovans also demanded that the Moldovan Republic join Romania. This aroused resentment among non-Moldovan ethnic groups.

The Gagauz people declared the establishment of a Gagauz Republic in August 1990. When the leading organ of the Gagauz Republic carried out election work during the latter half of October 1990, Moldovans impeded its work, and conflicts erupted between the two sides. The Gagauz Republic elected former premier (Stoper) as its president on 1 December.

Russian-speaking citizens residing in eastern Moldova declared the establishment of the Riparian Republic Along the Dnestr River [as received] in September 1990 following the independence of the Gagauz people. The republic decided to secede from Moldova on August

1991. (Ismirov) was elected the republic's president on 1 December; 98 percent of the republic's people favored total independence.

Touching on 9 February on the issue of independence for the Dnestr and the Gagauz Republics—both of which are within Moldova's boundary—and the issue of merging with Romania, Moldovan President Snegur indicated that he advocates a "unified and inseparable Moldova" as well as the utilization of "peaceful political means" to solve all controversial issues. If it is necessary to merge with Romania, then a referendum must be held.

5. Volatile South Ossetia

South Ossetia is situated inside Georgia. It has an area of 3,900 sq km and a population of nearly 180,000 people, including South Ossetians, Georgians, and Russians. Tskhinvali is its capital. On 20 April 1992 it became an autonomous region of Georgia.

In September 1990 the South Ossetian Autonomous Region declared its separation from Georgia. It formed the Soviet Democratic Republic and asked to join the Russian Federation. The Georgian Government nullified South Ossetia's resolution on 21 September. When the autonomous region held an election on 9 December, the Georgian Government immediately declared such an election in violation of the constitution. It deployed troops to be garrisoned in certain parts of South Ossetia, and declared an emergency. The Supreme Soviet of Georgia on 11 December decided to disband the organizational system of the South Ossetia Autonomous Region. From then on, conflicts continued to break out over here. An armed conflict again occurred in that region on the night of 29 February this year. Right now, the situation is still unstable.

Belarus Official Meets New Charge d'Affaires

OW0903014992 Beijing Central People's Radio
Network in Mandarin 1700 GMT 8 Mar 92

[From the "News and Press Review" program]

[Text] Belarussian Deputy Foreign Minister (Auskapenko) met with (Yu Xiaozhong), charge d'affaires ad interim of the Chinese Embassy in Belarus, on 5 March. (Yu Xiaozhong) handed (Auskapenko) a letter of introduction from Chinese Foreign Minister Qian Qichen on his appointment as the Chinese charge d'affaires ad interim to Belarus.

During a conversation, both sides agreed that contacts between China and Belarus go back to ancient history and that traditional friendship has been maintained between the peoples of the two countries.

Both sides pointed out that both China and Belarus are faced with the common tasks of developing production to invigorate the economy. Therefore, sincere cooperation between the two countries will be very conducive to the two countries and their peoples.

Both sides noted that there is great potential for developing cooperation between the two countries, and, with joint efforts by both sides, relations between the two countries will certainly develop steadily and soundly in the long term.

Southeast Asia & Pacific

Vietnamese Delegation Continues Official Visit

Jiang Zemin, Le Phuoc Confer

OW0903205592 Beijing XINHUA Domestic Service
in Chinese 1451 GMT 9 Mar 92

[By reporter Lu Jing (4151 0513)]

[Text] Beijing, 9 March (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, met with a delegation from the Communist Party of Vietnam [CPV] at Zhongnanhai this evening. The CPV delegation is led by Le Phuoc Tho, member of the Political Bureau and Secretariat and director of the Organization Department of the CPV Central Committee.

On behalf of the CPC Central Committee, Jiang Zemin extended his warm welcome to the CPV delegation. According to a Chinese official present at the meeting, Jiang Zemin said: Sino-Vietnamese relations have been developing smoothly since relations between the two parties and the two countries were normalized in 1991. The delegation led by Comrade Le Phuoc Tho is the first party delegation sent by the CPV to China since the Chinese and the Vietnamese Communist Parties restored relations. I believe that friendly contacts will greatly benefit mutual understanding, friendship, and cooperation between the two sides.

Jiang Zemin said: The increase in exchanges between China and Vietnam is not only in accord with the fundamental interests of the two peoples, but will also be conducive to peace, stability, and the development of the Asian-Pacific region.

Briefing the Vietnamese guests on China's domestic situation, Jiang Zemin said: No matter how the world situation changes, we will firmly stick to the basic line of "one central task and two basic points" initiated by Comrade Deng Xiaoping, persist in reform and opening to the outside world, concentrate on doing economic work well, and continue to take the road of socialism with Chinese characteristics.

Le Phuoc Tho, said that he is pleased to visit China for the first time. He said that the relations between the two parties and the two countries have kept developing well since the high-ranking leaders of the two countries met last year. From that time to the present, the two sides signed a number of important agreements, which have promoted the development of bilateral relations.

Le Phuoc Tho briefed Jiang Zemin on the economic construction and reform in Vietnam and his party's efforts to strengthen party building.

In the meeting, Le also conveyed the regards of Do Muoi, general secretary of the CPV Central Committee, and Vo Van Kiet, chairman of the Council of Ministers of Vietnam, to General Secretary Jiang Zemin. Jiang Zemin asked Le Phuoc Tho to send his regards to Do Muoi, Vo Van Kiet and other Vietnamese leaders.

Lu Feng, director of the Organization Department of the CPC Central Committee, and Zhu Liang, director of the International Liaison Department of the CPC Central Committee, were present at the meeting.

Hanoi Radio Reports Meeting

*BK1003113792 Hanoi Voice of Vietnam in English
1000 GMT 10 Mar 92*

[Text] Chinese Party General Secretary Jiang Zemin has received in Beijing the visiting Vietnamese delegation led by Le Phuoc Tho, member of the Political Bureau and secretary of the Communist Party of Vietnam Central Committee.

The two sides exchanged views on bilateral relations between the two states and the two parties and international issues of common concern.

The Chinese party leader said: After the normalization, the relations between the two parties and the two states have been further developed for the interests of the two peoples and of peace, stability, and development in Asia and the Pacific.

Minister on Taiwan Relations

*BK0903151592 Hanoi VNA in English 1417 GMT
9 Mar 92*

[Text] Hanoi VNA March 9—The four agreements Vietnam has just signed with China represent an event of important significance as they are the result of both sides' efforts to restore and develop their bilateral cooperation, said Minister of Communications and Posts Bui Danh Luu in an interview with VNA correspondent in Beijing on March 9.

On behalf of the Vietnamese Government he had signed with the corresponding Chinese parties four agreements viz, an agreement on civil aviation, an agreement on navigation, an agreement on railway and an agreement on postal cooperation.

Asked about Vietnam's communications and transport relations with Taiwan, Bui Danh Luu said:

The Vietnamese Government's stance on the Taiwan issue is very clear. As is stated in the Nov. 10, 1991 joint Sino-Vietnamese communique on the official China visit by Party General Secretary Do Muoi and Premier Vo Van Kiet, Vietnam recognises the Government of the

People's Republic of China as the only legitimate government representing the whole of China and Taiwan is an inseparable part of China. The Chinese side has shown its understanding that Vietnam and Taiwan only have non-governmental economic and commercial ties.

In the spirit of that joint communique, Vietnam's aviation and maritime relations with Taiwan merely aim to serve trade and economic transportation of a non-governmental character. All air and maritime transport services between Vietnam and Taiwan are run by non-governmental companies of Vietnam and private companies of Taiwan. Vietnam has no plan to sign with Taiwan any agreements on air and maritime transport at the governmental level or of a governmental character.

Accordingly, Vietnam also has no intention to join governmental companies of Taiwan in the operation of the Vietnam-Taiwan air link and all Taiwanese planes flying into Vietnam will not carry neither the flag nor emblem of the Taiwanese Government.

Near East & South Asia

Sino-Nepalese Talks Conclude in Kathmandu

Wang Wendong Meets Nepalese Premier

*OW0603145192 Beijing XINHUA in English
1433 GMT 6 Mar 92*

[Text] Kathmandu, March 6 (XINHUA)—Nepalese Prime Minister Girija Prasad Koirala said today that Nepal will not go against the interest of China.

He made the pledge during his meeting with Vice-Minister of Foreign Economic Relations and Trade Wang Wendong who is leading a 13-member Chinese delegation to attend the China-Nepal Inter-Government Economic and Trade Committee.

He said he wants to further the friendship between the two countries.

The Chinese vice-minister conveyed regards from Premier Li Peng to Prime Minister Koirala and said that his forthcoming visit to China will be a big event in the relations of the two countries.

Sides To Develop Economic Ties

*OW0803135892 Beijing XINHUA in English
1339 GMT 8 Mar 92*

[Text] Kathmandu, March 8 (XINHUA)—Nepal and China agreed to further strengthen and promote the bilateral friendly cooperation at the sixth session of the China-Nepal Inter-Governmental Economic and Trade Committee, which ended here today.

The session reviewed the progress in economic and technical assistance, bilateral trade and economic cooperation and expressed satisfaction with the results achieved.

The two sides signed minutes this afternoon to open up new forms of economic assistance including joint venture projects between enterprises of the two countries with the support and help of the two governments.

They also agreed to expand overland trade and take measures to improve the border facilities, banking facilities in particular, for import and export trade so as to promote the economic development in their respective border areas.

As to the trade imbalance between the two countries, the Chinese side hoped that Nepal would provide needed commodities with competitiveness so that bilateral trade could develop in a sustained and stable way on the basis of approximate trade balance.

The two sides exchanged letters on the construction of a permanent bridge over the Seti River in Pokhara and on the expenses incurred on the first technical cooperation for the Lumbini Sugar Mill.

After the signing of the minutes, both Chinese Vice-Minister of Foreign Economic Relations and Trade Wang Wendong and Nepalese Finance State Minister Mahesh Acharya expressed satisfaction with the successful meeting.

The Chinese delegation led by Wang Wendong arrived here on March 5 and is scheduled to leave for Thailand Monday.

Wang: Session Marked by 'Friendship'

OW0903114892 Beijing XINHUA in English
1110 GMT 9 Mar 92

[Text] Kathmandu, March 9 (XINHUA)—It will be beneficial to the people of both Nepal and China to further expand and develop economic cooperation between the two countries, a Chinese vice-minister has said.

Wang Wendong, Chinese vice-minister of foreign economic relations and trade, was talking to XINHUA at Tribhuvan International Airport before his departure after attending the sixth session of the China-Nepal inter-governmental economic and trade committee.

He said, "The committee meeting took place in an atmosphere of sincerity, friendship and full understanding."

The two sides reviewed the progress made in various economic fields since the fifth session of the committee and views were fully exchanged on further strengthening and promoting the bilateral friendly cooperation between the two countries, Wang said.

"It would be beneficial to the people of both Nepal and China to further expand and promote economic cooperation as there exist the traditional friendship and foundation of long-time cooperation between the two countries," he stressed.

The high-level Chinese governmental delegation led by Vice-Minister Wang Wendong, the first after the establishment of the new Nepalese Government, arrived here on March 5 for the committee session, which ended Sunday. The next session will be held in Beijing.

Present at the airport seeing the Chinese delegation off were Nepalese Commerce and Supplies State Minister Aishworya Lal Pradhananga and Chinese Ambassador Shao Jiongchu.

Nepalese Premier To Visit China, Discuss Ties

OW0903153092 Beijing XINHUA in English
1444 GMT 9 Mar 92

[Text] Kathmandu, March 9 (XINHUA)—Chinese Ambassador to Nepal Shao Jiongchu hosted a dinner here this evening for Nepalese Prime Minister Girija Prasad Koirala who is going to pay an official visit to China.

At the dinner at the Chinese Embassy, Ambassador Shao said that the Chinese Government and people are looking forward to the prime minister's visit with warm and friendly sentiments.

Koirala said that he is happy to visit China at the invitation of Chinese Premier Li Peng as he has long dreamed of visiting China, a friendly neighbor of Nepal.

During his stay in China, he will hold talks with Premier Li Peng on matters related to enhancing the long-existing friendly relations and developing economic cooperation between the two countries, Koirala said.

'Roundup' Views Pakistan Ruling Alliance 'Crisis'

OW1003105992 Beijing XINHUA in English
0744 GMT 10 Mar 92

["Roundup: Pakistan Ruling Alliance in Crisis (by Wu Dingbao)"]—XINHUA headline]

[Text] Islamabad, March 10 (XINHUA)—Pakistan's ruling alliance, Islamic Jamhoori Ittehad (IJI), is facing a crisis of disintegration with its components pulling away.

The Jamaat-i-Islami (JI), one of the IJI major components, is likely to say "goodbye" to the ruling alliance within the next two days, according to local press reports today.

JI chief Qazi Hussain Ahmad is reported to meet Prime Minister Nawaz Sharif, who is the IJI president, today to discuss pros and cons of dissolving the alliance.

Qazi Hussain Ahmad was quoted by the local daily "MUSLIM" as saying "there is nothing left for us to remain in the IJI as the prime minister has never followed the IJI manifesto."

The leadership of the JI, the rightist party, has reportedly had differences with the government on major issues such as Kashmir, Afghanistan, nuclear program and

Islamization process, alleging Nawaz Sharif's policies on Afghanistan and Kashmir are diverting from those of the IJI.

But a common complaint aired by angry components within the IJI is that the IJI president does not take confidence [as received] in taking major decisions and the process of consultation is non-existent, making the alliance a one-party show.

The IJI, which was formed in 1988 and won the elections in 1990, consisted of nine parties in the beginning and now only seven are left in it including the Pakistan Muslim League (PML), the JI and the National People's Party (NPP).

However, the NPP led by former prime minister Ghulam Mustafa Jatoi entered into an alliance with the opposition Pakistan People's Party (PPP) led by former prime minister Benazir Bhutto last week in Sind Province, which observers said has hastened the falling apart of the IJI.

Meanwhile, majority leaders of the PML whose strength in the national assembly is at 104 out of a total of 217 members are pressuring the prime minister to get rid of the JI and others, arguing that the PML has gotten enough strength to run the government within IJI parties but with the support of some tribal area parliamentarians.

However, government sources said the prime minister will make his best efforts to persuade the JI leader at their meeting scheduled today not to quit the IJI.

The sources said a meeting of all the heads of the component parties of the IJI will be held soon to sort out the crisis.

On the other hand, amid the reports of the IJI disintegration, a new alliance is reportedly in the offing which comprises the PML, the Awami (People's) National Party, the Pakistan National Party, and the Muhajir Qaumi Movement (MQM) to provide alternative political platform.

The prime objective of the proposed alliance is said to provide a firm political support to Nawaz Sharif's government in case of the IJI dissolution.

West Europe

Qian Continues European Tour, Visits UK

UK's Hurd Affirms Ties

OW0903183592 Beijing XINHUA in English
1813 GMT 09 Mar 92

[Text] London, March 9 (XINHUA)—Visiting Chinese Foreign Minister Qian Qichen and British Foreign Secretary Douglas Hurd held talks today and promised to make further efforts to strengthen the relations between the two countries.

A Chinese official, who was present at the talks, told reporters that Qian told Hurd China attaches great importance to promoting the friendly relations and cooperation between China and Britain.

The official said, Qian said since the successful visit to China by British Prime Minister John Major last September, the Sino-British relations have developed to a new stage.

Qian, on a week-long visit to Europe, said China appreciated Britain's efforts in helping improve China's relations with members of the European Community (EC) and hoped Britain, as it will assume the EC's presidency in the second half of this year, to continue to play an active role in doing so.

Qian proposed establishment of a system of routine meetings between economic and commercial officials of the two countries and said China will send a Chinese purchasing group to Britain later this year.

Replying positively, Hurd said the British Government would look into Qian's initiative. He said Qian's visit, taking place at a time when the two countries had set up full diplomatic ties for 20 years, was of great significance.

Hurd and Qian believed that the prospect of development of the relations between China and Britain is wide, the Chinese official said.

China is expecting the visits by Britain's trade and industry secretary and energy secretary later this year, he said.

The two foreign ministers also discussed the issue of Hong Kong. Hurd said the signing of the memorandum on the construction of new airport in Hong Kong has made a positive impact to Hong Kong and helped create a good atmosphere. It is a great contribution, Hurd said.

The two ministers shared the view that it is necessary to keep closer contact between the two countries under the guidance of the Sino-British joint declaration to ensure a smooth transfer of Hong Kong.

Qian arrived in London on Saturday at the start of the week-long visit to Europe, which will also take him to Germany and the headquarters of the EC in Brussels.

Qian, Hurd View Nuclear Proliferation

OW0903203492 Beijing XINHUA in English
2015 GMT 9 Mar 92

[Text] London, March 9 (XINHUA)—China today handed over its instrument of accession to the Non-Proliferation Treaty to Britain.

The document was presented by visiting Chinese Foreign Minister Qian Qichen during a meeting with British Prime Minister John Major at 10 Downing Street.

While presenting the document, Qian said, "China has all along stood for a complete prohibition and thorough destruction of nuclear weapons."

"China does not advocate, encourage or engage in the proliferation of nuclear weapons, nor does it help other countries to develop nuclear weapons," said the Chinese foreign minister, who arrived in Britain on Saturday for an official visit.

China wants a complete and thorough destruction of all nuclear weapons in the world, Qian said.

Qian said, "the prevention of nuclear proliferation is not an end in itself, but a measure and step in the process towards complete prohibition and thorough destruction of nuclear weapons."

After joining the treaty, China "will continue to make contributions" to the realization of the three objectives formulated by the treaty, namely, prevention of the proliferation of nuclear weapons, acceleration of nuclear disarmament and use of nuclear energy, which China regarded as "interrelated and inseparable."

Major welcomed China's entry to the treaty and said it is an event of great significance. It is of great importance to China, to the U.K. and to the United Nations, he said.

Major and Qian also held talks on bilateral relations and international issues of mutual interests.

A Chinese official taking part in the talks quoted Major as saying that he was impressed by his talks with Chinese leaders during a visit to China last September.

Major said it is of great significance that Britain and China, as permanent members of the U.N. Security Council, keep dialogue and cooperation in a changing world.

The prime minister promised to take personal interests in ensuring continuing development of the British-Chinese relations.

Major also said that Britain is concerned about the United States' position on China's Most Favored Nation (MFN) status, which he said is not only in the interests of China, but of Hong Kong.

Qian said he hoped Britain will do its part to persuade the U.S. to prolong China's MFN status and play an positive role in improving relations between China and the European Community as well as the seven industrialized western nations.

After the talks, Qian made a speech at the Royal Institute for International Affairs on reform in China and the Sino-British relations. He also met former prime ministers Edward Heath and Margaret Thatcher.

Earlier in the day, Qian held talks with Foreign Secretary Douglas Hurd at the Foreign Office.

Qian will leave London for Bonn on Tuesday.

Qian Meets Shadow Foreign Secretary

OW1003004192 Beijing XINHUA in English
0019 GMT 10 Mar 92

[Text] London, March 9 (XINHUA)—Chinese Foreign Minister Qian Qichen today met with the British Labour Party's shadow foreign secretary Gerald Kaufman and discussed Sino-British relations with him, a Chinese official said.

The official quoted Kaufman as saying that Britain's Labour Party values China's role in international affairs greatly and is willing to see the good relations between Britain and China maintained and further developed.

Kaufman said Britain and China must strictly abide by the 1984 Sino-British joint declaration on Hong Kong and cooperate closely on the issue of Hong Kong.

The Sino-British joint declaration was signed to ensure a smooth transfer of Hong Kong to China in 1997.

Qian, who arrived in London on Saturday for an official visit, said China attaches great importance to the development of Sino-British relations.

The two countries should continue their close cooperation on international affairs and the issue of Hong Kong, he said.

Hong Kong, Qian said, has become a link between China and Britain, which represents a positive element in promoting cooperation between the two countries.

China is willing to develop good relations with the British Labour Party, Qian added.

Earlier, Qian held separate talks with British Prime Minister John Major and Foreign Secretary Douglas Hurd.

Qian also met with chairman of the British-Chinese parliamentary group Robert Adley and president of the China-Britain trade group Terry Wint.

Says China To Open Further

OW1003115192 Beijing XINHUA Domestic Service
in Chinese 0201 GMT 10 Mar 92

[Report on Qian Qichen's address at the British Royal Institute of International Affairs on 9 March, by reporters Shi Lujia (2457 7627 0163) and Yang Yanping (2799 7159 1627)]

[Text] London, 9 March (XINHUA)—Qian Qichen, Chinese state councilor and foreign minister, pointed out here today that maintaining good cooperative relations between China and Britain will not only contribute to stabilizing the international situation but in the two countries' best interests.

In his address to the British Royal Institute of International Affairs, Qian Qichen said: In the current international situation, China and Britain, both as permanent

members of the UN Security Council, share an important responsibility in preserving world peace and ensuring international development. In the last few years, the two countries have closely consulted and cooperated with one another in the United Nations and many other international arenas, making important contributions to solving a series of international and regional problems. Recently, at the suggestion of Prime Minister Major, a UN Security Council summit—the first of its kind in the history of the United Nations—was successfully held in New York. The summit had great significance. During the summit, the heads of the Chinese and British Governments had a very good meeting. Facts have proved that maintaining good cooperative relations between China and Britain in international affairs is a factor that stabilizes the world situation.

Qian Qichen said: Developing friendly and cooperative relations between China and Britain also is where the two countries' common interests lie. Britain is a developed industrial nation of the West that possesses advanced technologies and enormous economic power while China is the world's largest developing country which is currently applying itself to developing its economy and which has tremendous market potential. Economically, our two countries are strongly complementary, and therefore we can gain from one another to make up our deficiencies. The prospects of establishing mutually beneficial cooperation between the two countries are very broad.

Qian Qichen pointed out: The Hong Kong issue occupies an extremely important position in Sino-British relations. On the Hong Kong issue—a problem left by history—the Chinese Government, using the idea of "one country, two systems", has worked to make it a positive factor for promoting and strengthening Sino-British relations. In 1984 the two countries formally signed the well-known "Joint Statement of the Chinese and British Governments on the Hong Kong Problem", setting a good example for solving problems left by history. The Chinese Government has always strictly abided by the Sino-British Joint Statement and has endeavored to cooperate with the British Government to jointly ensure Hong Kong's stability and prosperity as well as a smooth hand-over of Hong Kong in 1997. As a result of fruitful cooperation between the two sides, the Sino-British Joint Liaison Group has examined and solved numerous problems concerning the implementation of the "Joint Statement" as well as problems that will ensure a smooth hand-over of Hong Kong's political power in 1997. In September 1991, during his visit to China Prime Minister Major signed with Premier Li Peng the two governments' "Memorandum of Understanding on the Construction of the Hong Kong New Airport and Related Issues", fulfilling the two governments' wishes on strengthening cooperation and developing bilateral relations during the latter half of Hong Kong's transitional period.

Qian Qichen reiterated: Implementing the policy of "one country, two systems" and preserving Hong Kong's

long-term prosperity and stability is one of China's firmly-established basic national policies. The purpose of everything the Chinese Government has done regarding the Hong Kong issue is to preserve Hong Kong's long-term stability and prosperity both before and after 1997, and to ensure a smooth hand-over of Hong Kong in 1997, because this will benefit not only Hong Kong but China, Britain, and the whole world as well.

In his address—which was entitled "China's Reform and Opening-up and Sino-British Relations"—Qian Qichen also gave a detailed account of China's domestic situation and the achievements China had made in its economic and political reforms. He specifically pointed out: China's basic line of centering on economic construction, of adhering to the socialist course with Chinese characteristics, and of adhering to the policy of reform and opening-up will not change because this is in line with China's conditions and has been proved effective through practice. Reform and opening-up have benefited the country and the people; we have no reason to change a policy which is in line with China's actual situation and which has benefited our people. In the future, our reform will be further deepened, and the scope of our opening-up will be further broadened.

Qian Qichen said: Socialism with Chinese characteristics is an open system as well as an open economy. We are willing to absorb and use as reference things in the capitalist economy and culture that are useful to us. This means the opportunity for foreign countries to cooperate with China will continue to increase. Qian Qichen told British friends that China will further expand its import and export trade, and it is expected that China's imports over the next five years will not be less than \$300 billion, the majority of which will be technology and equipment needed for construction.

After his address, Qian Qichen answered reporters' questions on China's domestic situation, the Hong Kong issue, and China's relations with some of its neighboring countries.

Reportage on European Tour

WA1003150092

For European reportage on Foreign Minister Qian Qichen's visit to Europe, including his talks with German Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher, please see the relevant sections of the 10 March West Europe DAILY REPORT and subsequent issues.

XINHUA Analyzes French Position on GATT

OW0903154692 Beijing XINHUA in English
1511 GMT 9 Mar 92

[By Guo Jinghua]

[Text] Paris, March 9 (XINHUA)—France has decided to send 25 deputies this month to 16 countries around

the world to explain its position in the 8th round of world trade talks in hopes of winning more support and understanding.

The decision was made when the European Community refused to accept a compromise aimed at concluding the five-year-long negotiations, presented by Arthur Dunkel, the director-general of the General Agreement on Tariffs and Trade (GATT), when contradictions surfaced among EC nations' internal coordination and consultations.

The decision also has won Elysee's support and shows that France would insist on its uncompromising position in the Uruguay round of world trade talks.

The Uruguay talks ran aground again when the EC and the United States could not come to an agreement on farm subsidies, especially grain subsidies.

The United States demanded that the EC reduce farm subsidies by 75 percent over the next ten years, while the EC wanted a mere 30 percent cut on its subsidies in the next five years.

Both sides insisted on their own positions and the quarrels continued.

Then Dunkel drafted a compromise proposal aimed at finalizing the Uruguay round by mid-April.

EC nations unanimously expressed their opposition to the proposal, with France most adamant. French President Francois Mitterrand reacted to the proposal by saying "the proposal is incomplete, and France would not accept it."

The United States blamed the EC and France for delaying the negotiations and imposing obstacles.

France has its reasons for not compromising on the question of farm subsidies, which are of great importance to France's agriculture.

France is one of the beneficiaries of the EC's common farming policy. It leads the EC in both grain output and farm exports.

French farming is heavily subsidized and the industry is not competitive. Moreover, 71 percent of all French farm products are exported to fellow EC member-countries.

Therefore, reduction of farm subsidies and removal of the EC's internal protection system of the products would mean a huge loss to the French economy.

Furthermore, many French farmers are in debt and a large number of farms have gone bankrupt. Last year, French farmers held several demonstrations protesting against the government's farm policies, demanding protection of their interests.

The government is under great pressure. Reductions of farm subsidies could deal yet another blow to French agriculture.

France has called on EC nations to act concertedly in solving the subsidy problem. However, EC member-countries receive different levels of benefits on farm subsidies, and this has disrupted unified EC action.

Earlier this month, 12 ministers of agriculture met in Brussels and discussed a proposal drafted by the EC commission which agreed to cut EC farm subsidies by 30 percent within the next five years. Germany and Britain had already expressed support for the proposal.

The controversy among EC nations concerned France even more.

Both France's ruling and opposition parties agreed not to compromise on the question of farm subsidies and deemed it necessary to further state France's position and win over countries that had not stated their positions.

Observers here believe that the United States, facing an imminent general election, cannot concede on the question of farm subsidies.

France, meanwhile, will try to drum up support for its position and make itself better prepared for further debate with the United States after the U.S. general election in November.

Political & Social**Wang Juntao Suing Prison for Detention, Illness***HK1003093192 Hong Kong AFP in English 0926 GMT 10 March 92*

[Text] Beijing, March 10 (AFP)—One of China's most prominent dissidents has launched a legal battle from prison to challenge his sentence and the government's commitment to justice.

Wang Juntao, 33, has submitted papers to sue Beijing's Qincheng Prison for detaining him illegally and allowing him to contract hepatitis B, Wang's wife Hou Xiaotian said Tuesday.

She charged wardens at the infamous penitentiary for political prisoners with dereliction of duty, saying that Wang contracted the incurable liver disease when he was detained there.

Wang's plans also include civil lawsuits against the Public Security Ministry and the state-run Xinhua news agency for alleged libel, Hou said.

The prison authorities were aware of Wang's plans to file charges and have granted extra visiting time to his wife to discuss the cases, but observers said it was doubtful that Chinese courts and prosecutors would accept them.

Wang, an economist and journalist, played a leading role in the 1989 democracy movement and was sentenced on February 12, 1991 to 13 years' imprisonment for "counter-revolutionary propaganda and incitement."

He was moved in September to suburban Yanqing prison to receive medical treatment for his liver condition.

Hou said Wang would continue to demand his release on medical grounds, which she said was allowed under Chinese law.

She also called on the international community to continue to pressure the Chinese authorities for Wang's release.

Wang's friends describe him as a headstrong idealist. At the time of his sentence, the authorities said the dissident was given a heavy sentence because he "had committed very serious crimes and shown no willingness to repent."

More on Jiang Attempt To Revive Reformist Paper*HK1003012292 Hong Kong SOUTH CHINA MORNING POST in English 10 Mar 92 p 11*

[By Willy Wo-lap Lam]

[Text] Chinese Communist Party boss Mr Jiang Zemin has tried to revive the liberal World Economic Herald [SHIJIE JINGJI DAOBAO] in a bid to inject the reformist spirit into China's conservative mass media.

And the doyen of hardline ideologues, director of the People's Daily Mr Gao Di, is scrambling to pacify patriarch Mr Deng Xiaoping by showing off "pro-reformist" statements he has made in the past.

Chinese sources in Shanghai and Beijing said the party General-Secretary had both public and private reasons for wanting to republish the internationally-known Herald.

At a time when Beijing-based national papers are under the thumb of leftists, Mr Deng's moderate faction badly needs a mouthpiece to lobby for fast-paced reform.

Mr Jiang also wants to refurbish his reputation as a reformist leader.

In May, 1989, Mr Jiang, then party boss of Shanghai, closed down the Herald in an apparent bid to demonstrate his "toughness" in cracking down on "bourgeois liberalisation".

While Mr Jiang was rewarded with the post of party General-Secretary, his reputation especially among intellectuals had suffered.

According to the sources, Mr Jiang had in 1990 and last year dispatched senior State Council economist Mr Ji Chongwei, a former member of the board of the Herald, to Shanghai to look into the possibility of reviving the Herald.

The sources said Mr Jiang's plan was supported by such Shanghai leaders as former mayor Mr Wang Daohan and the vice-chief of the party committee Ms Chen Zili.

However, it was hotly opposed by the Propaganda Department and by leftist elders including Vice-President Mr Wang Zhen.

Another reason behind the difficulty in reviving the Herald, however, is lack of enthusiasm on the part of its former editors and journalists.

Former Beijing bureau chief Zhang Weiguo, who was imprisoned from June, 1989, to February, 1991, for allegedly "making counter-revolutionary propaganda", said in Shanghai yesterday his colleagues were not interested in the idea.

"Not too many former colleagues, especially the able and reformist-minded ones, are willing to work for a new Herald unless Beijing allows it a relatively high degree of freedom of expression," he said.

Zhang said, however, there were signs that the national media was slowly turning away from hard-line Maoism.

He quoted Beijing sources on the fact that leftist commissars controlling the party mouthpiece, the People's Daily, had felt the heat of Mr Deng's counter-attack.

"In recent weeks, People's Daily director Mr Gao Di has asked his aides to dig up whatever speeches or articles he has written that could be construed as pro-reformist", Mr Zhang said.

He indicated that Mr Gao was using the old statements as proof that he was a "reformist" and should not be removed from office.

The head of the New China News Agency [XINHUA], Mr Mu Qing, also called an emergency meeting last week to discuss with his chief advisers, including bureau chiefs from the major cities, on [as published] how to better to promote reform in news reporting.

Meanwhile, Zhang, who has so far been denied permission to leave China for further studies abroad, has called on other journalists in China to press for freedom.

"Every journalist in China should seize the opportunity to fight for press freedom," Zhang said. "One cannot wait until the big (political) climate has changed before taking action.

The Shanghai-based journalist pointed out that many provincial and local media, including economic and finance papers, had smashed taboos by lobbying for bold reforms.

"And quite a number of journalists have left their organisations to become freelancers," he added.

Zhang appealed to the National People's Congress to speed up legislation on freedom of expression.

Leftists Said Toeing Deng Line To Escape Purge

HK0903094992 Hong Kong SOUTH CHINA
MORNING POST in English 9 Mar 92 p 13

[By Willy Wo-lap Lam]

[Text] Leftist leaders in Beijing are lining up behind Mr Deng Xiaoping's reform drive to escape a purge launched by the patriarch against cadres who oppose reform.

Politburo Standing Committee member Mr Song Ping, a godfather of conservative elements, has vowed support for the Deng Xiaoping line.

In a meeting with a foreign delegation, Mr Song, who is in charge of organization and personnel, said: "China will continue to steadfastly implement the basic line of 'one core, two basic points' as advocated and guided by Deng Xiaoping".

"The pace of reform and the open door will be speeded up so that economic construction can progress faster and better," the Chinese press yesterday quoted Mr Song as saying.

Mr Song is among a host of leftist cadres who, Beijing sources have said, would be sacked in the run-up to the 14th party congress late this year.

Mr Song's alleged opposition to the Deng line was evident from the fact that a recent NEW CHINA NEWS AGENCY [XINHUA] commentary made no reference to the organization chief when it listed the pro-reformist opinions of politburo members.

Other cadres marked for removal and disgrace included officials running the ideology and propaganda establishments, including Acting Culture Minister Mr He Jingzhi, propaganda chief Mr Wang Renzhi and PEOPLE'S DAILY [RENMIN RIBAO] director Mr Gao Di.

In an apparent bid to save their political necks, however, the ideologues have in the past week asked media units under their control to toe the Deng line of accelerated reform.

A case in point is the ultra-conservative GUANGMING DAILY [GUANGMING RIBAO], a national newspaper supposed to serve the intelligentsia.

Since Mr Deng's trip to Shenzhen in mid-January, the GUANGMING DAILY has lagged behind the provincial and national media in reporting on the new spirit of reform.

In a commentary over the weekend, however, the paper said: "all patriots should take reform as their personal responsibility".

GUANGMING also quoted the Deng dictum that there was no need to worry about introducing capitalistic ways of doing business.

Chinese sources said politburo member Mr Li Ruihuan, a Deng protege, was masterminding a major reshuffle of the propaganda departments.

When contacted by telephone yesterday, Mr He's predecessor as culture minister, liberal novelist Wang Meng, said he had no idea about impending personnel changes in the ministry.

However, executive vice-minister Mr Gao Zhanxiang, a member of the liberal Communist Youth League Faction within the party, is regarded as a frontrunner.

China analysts say moderate cadres will likely move into senior editorial position in PEOPLE'S DAILY.

In recent weeks, former DAILY editors who had been sidelined for being "bourgeois liberals", including Hu Jiwei and Qin Chuan, have been consulted on ways to revamp the party newspaper.

Leftists Finding Avenues for Dissent in Media

HK1003012892 Hong Kong SOUTH CHINA
MORNING POST in English 10 Mar 92 p 11

[By Geoffrey Crothall in Beijing]

[Text] While the reformist ideas of paramount leader Mr Deng Xiaoping are gaining prominence in the national

media, conservative ideologues are still finding avenues of dissent, according to political observers in the Chinese capital.

The latest issue of the bimonthly magazine, *Contemporary Thought*, for example, contains a stinging attack on the "romantic ideas" of "some economists" who advocate radical reforms.

The article, entitled "Two different views on reform", criticises privatisation and the stock holding system and calls for a gradual, level headed and stable approach to economic reform.

"Leaders who stop to consider the problems engendered by economic reform are often derided as 'conservatives'. But without these 'conservatives' China would be a poorer place today," the author, Shi Zhong, writes.

Unless China can change from a radical to a gradual approach to development, the country will not know peace, he says.

A separate article in the same magazine, which is understood to be under the control of arch-conservative Mr Deng Liqun, went on to criticise former Communist Party General-Secretary Mr Zhao Ziyang for failing to halt the flow of "rightist" ideas.

"We must not make the mistake of just criticising leftists and ignoring rightists. This mistake was made by Zhao Ziyang and it brought our country to the brink of chaos," it said.

The same theme was taken up by yesterday's *People's Daily* [RENMIN RIBAO], which gave prominence to a commentary published in the *Shenzhen Special Economic Zone Daily* [SHENZHEN TEQU BAO] which said: "Policy makers should decide policies democratically and scientifically and give careful consideration to the ability of society to cope with change."

The commentary, entitled "Stability is the prerequisite", is being seen by many observers as an attack on Mr Deng's reformist juggernaut which conservatives say is steam-rolling everything else in sight.

Yesterday's commentary also contained a warning to political "trouble-makers" in Hong Kong, saying the territory could be the first to suffer if instability returned to China.

"Hong Kong might be the first to be affected (if millions of people leave China because of instability)," it said. "One million people could crush Hong Kong."

Shenzhen Commentary Stresses Socialist Path

HK0803070692 Hong Kong WEN WEI PO in Chinese
6 Mar 92 p 3

[Report: "SHENZHEN TEQU BAO Carries an Eighth Commentary Saying Following the Socialist Path Does Not Mean Sticking to a Rigid Pattern"]

[Text] Shenzhen 5 Mar (WEN WEI PO)—SHENZHEN TEQU BAO carries the eighth of its commentaries at the beginning of the Year of the Monkey, entitled "We Can Only Take the Socialist Path," its excerpts are as follows:

In recent years, drastic changes have taken place in some one-time socialist countries. Some believed that China should also change, in the direction of capitalism. Can that be true? No! We can only take the socialist path. We can only take the socialist path, but it does not mean sticking to some rigid socialist pattern. We are in the exploration of socialism, which calls for continuous reforms. Without the fruits of reform and opening up, we would not have been able to pass the test at the turn of spring and summer 1989. To implement reform and opening up, it is imperative to be bolder in absorbing and referring to the accomplishments of all civilizations created by human society, including all advanced managerial ways and approaches of developed capitalist countries, which reflect the law governing modern socialized production. We may use some things in capitalism, but we should not take the capitalist path.

70 Railway Crime Cases Solved; 80 'Outlaws' Caught

HK0803064892 Beijing CHINA DAILY in English
7 Mar 92 p 3

[By staff reporter Xie Yicheng: "Police Cut Phone-Line Rail Crimes"]

[Text] Ministry of Railways security forces struck out at the theft of railway telephone lines in the first month of this year.

As a result, railway police cleared up 70 criminal cases of cutting railway wires and sabotaging telecommunication and signalling facilities, apprehended 80 outlaws and smashed seven gangs specializing in stealing wires.

Railway officials said the action came after an increase in such crimes in recent years. At one point the thieves even stopped certain railway departments from hearing the telephone conferences convened by the ministry.

During the first 11 months of last year, the railway system filed 480 cases of people cutting telephone lines. In all, they stole 270,000 metres, disrupting train operations and communication for a total of 693 hours.

Railway officials said the majority of offenders were farmers living near the tracks who saw an easy way to make money, while the rest were alleged to be fleeing convicts.

When some telephone lines were repaired, they were cut off again overnight.

Cadre Ranks Building Issues Under New Conditions

HK0803050492 Beijing RENMIN RIBAO in Chinese
26 Feb 92 p 5

[Article by Zhao Dongwan (6392 2639 1354): "The Important Task of Building the Cadre Force"]

[Text] In the changeable international situation, the key lies in doing things well at home, deepening reform, opening up wider, and quickly promoting the economy. In view of this, we are required to build a cadre force that can withstand tests. In his 1 July speech, Comrade Jiang Zemin pointed out: "Under the new historical conditions, our party not only stands the test in administration but also faces tests in reform, opening up, and the development of the commodity economy as well as the test of counterpeaceful evolution."

1. Whether the Economy Can Be Promoted or Not Is a Stern Test of the Ruling Party.

In all historical periods, our party has always attached great importance to the building of the cadre force; taken it as an important guarantee of the implementation of the party's political line; and trained and brought up a cadre force that is able to administer the party, the country, and the army. At present, our country has ushered in a new historical period and economic construction has become the central task of our party and country. Whether or not we can improve the economy is a stern test of the ruling party. As Comrade Deng Xiaoping pointed out: "After assuming power, a genuine Marxist political party must devote its energy to developing the productive forces." As a ruling party of a socialist country, it must regard the vigorous development of the economy and enhancement of the social productive forces as its own fundamental task. Since the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping has summed up the historical experiences of our country's socialist revolution and construction; pooled the wisdom of all party comrades; forwarded a series of theories, lines, principles, and policies of taking economic construction as the center, adhering to the four cardinal principles, sticking to the basic line of reform and opening up, and building socialism with Chinese characteristics; and regarded economic construction as the central task of our party and country.

Practice shows that our party's basic line is completely correct. We must firmly grasp economic construction as the center. To carry out this central task, we must exert efforts to build a cadre force that is loyal to our party's basic line and the lines, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee and that meets the needs in the development of socialist modernization construction. We must teach the cadres to unswervingly and completely implement our party's basic line, emancipate our thinking a bit more, be a bit bolder in reform and opening up, and quicken our pace a bit more so that all

aspects of our work can be centered on economic construction as the center and enhance the national economy to a new level as soon as possible.

After we entered the 1980s, the international monopoly capitalist class stepped up pursuing the peaceful evolution strategy, and urged the socialist countries to change from inside, and to evolve into capitalism. Facts prove that peaceful evolution can succeed because the external reasons are the conditions and the internal reasons are the main ones. To be able to withstand the peaceful evolution test, we must first vigorously develop the economy. Only by really promoting the economy can socialism be consolidated. This itself is the best socialist education as well as the best embodiment of the socialist system's superiority. Meanwhile, we must strengthen the thinking and the building of the cadre force's work style, resist corruption, prevent peaceful evolution, and strengthen our ability to resist peaceful evolution.

Building a cadre force that can withstand the tests is also a practical problem that our country's cadre force is facing. So long as capitalism exists in the world, decadent thinking and the concept of the value of capitalism will unavoidably corrode the body of our cadre force, and the trend of bourgeois liberalization thought will be reflected on the cadre force. At present, the main current of our cadre force is good but we must also see that, in recent years, the age structure of our country's cadre force has changed considerably; that the majority of the veteran cadres, who participated in the revolutionary work before the founding of our country, have retired or are about to retire; and that the majority of cadres who took part in the revolutionary work in the initial period of our country's founding will retire. A very large proportion of the cadre force is young and this is a natural law. The socialist cause's consolidation and achievement must depend on the efforts of several generations. The young cadres are our hope and future as well as the successors to socialism. Our country's young cadres have been brought up by the party's education and in the socialist environment and tempered by the practice of reform and opening up for over 10 years. Their standards of knowledge and professions are comparatively high and they can quickly accept new things and have relatively high spirits of blazing new trails. However, they have experienced relatively few complicated incidents. Due to a lack of personal experience in old semicolonial and semi-feudal China, some comrades are particularly lacking in the profound understanding that China must inevitably and necessarily take the socialist road. Therefore, on the one hand, we must trust the young cadres, boldly employ them, and allow them to shoulder burdens and, on the other hand, veteran comrades must do well in passing on experience, giving help, and setting an example so that they can correctly apply the Marxist stand, viewpoint, and method to analyze and deal with problems and grow up healthy in practice.

2. The Key to Whether or Not the Cadre Force Can Withstand the Tests Under the New Historical Conditions Lies in Having a Firm Belief in Socialism, Adhering to the Aim of Wholeheartedly Serving the People, Carrying Forward the Party's Excellent Tradition of Hard Struggle, and Maintaining an Upright and Honest Work Style.

In the face of stern tests, we must "strengthen our belief in socialism and the communist ideals." The "three tests" are, in a sense, the tests of our belief. The key to strengthening our belief in socialism lies in adhering to the party's lines, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee and unswervingly leading the masses to take the road of building socialism with Chinese characteristics. In all aspects of our work, we must consciously adhere to "one center, two basic points" and be bold in struggling against all trends toward running counter to the party's basic line. We must be good at politically observing and handling problems, stick to the correct political orientation, pay attention to giving play to our political superiority, and guarantee that the socialist economy and all construction causes will develop healthily.

Comrade Jiang Zemin pointed out: "After our party became the ruling party, it has better conditions for serving the people and also increased the dangers of being divorced from the masses and even becoming corrupt and degenerate." Under the new historical conditions, to be able to stand the tests, as always, our cadre force must adhere to the aim of wholeheartedly serving the people and maintain the true qualities as the people's public servants. While formulating or implementing the policies, we must consciously uphold the interests of the overwhelming majority of the people and proceed from the people's interests. We must insist on the work method of getting the masses' opinions and refer them back to the masses, keep close ties with the masses, attentively listen to the masses' voice, show concern for the people's weal and woe, do more practical things for the masses, and really seek interests for the people. We must be brave in undertaking responsibilities and opposing formalism; creatively do our own work well; and combat the bureaucratic work style of indiscriminately imitating other people, not giving serious thought to anything, and drifting along.

Struggling hard is a glorious tradition of our party. As early as the eve of our country's founding, Comrade Mao Zedong admonished the party-member cadres to maintain the work style of hard struggle, to be able to stand the attacks of "sugarcoated bullets," and to avoid corruption and degeneration. Today, this admonition is of practical significance. We must foster the excellent tradition of hard struggle and maintain the upright and honest work style. As Comrade Chen Yun said, "the issue of the party's work style has a bearing on the party's life and death." "Ruin befalls only those who have weaknesses." So long as our cadre force are not corrupt and degenerate, nobody can change us and socialism will not collapse in China.

3. To Build a Cadre Force That Is Able To Stand Tests, We Must, on the Basis of the Historical Missions We Shoulder and in Light of the Present International and Domestic Situation of Struggle, Adopt Measures in a Planned and Systematic Way and With an Objective in Mind and Really Strengthen the Building of the Cadre Force.

First, it is necessary to seriously study Marxism, to make efforts to transform the world outlook, and to enhance the cadres' Marxist theoretical accomplishment. Comrade Jiang Zemin pointed out: "Only Marxism can lead us to profoundly understand the objective law of social development, to master the essence of the changes in the world situation, and not to be perplexed by the whirlpool and adverse current of the long historical river." The root of ideological errors often lies in the theory. Only by clearly understanding the theory can we strengthen our belief and define our orientation. At present, with an objective in mind, we must organize the cadres to study the works of Marx, Lenin, and Mao Zedong, dialectic materialism; scientific socialism; Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; and the lines, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee, to strengthen their belief in socialism. By putting the relevant systems on a sound basis, we must guarantee and urge the cadres study Marxism and gradually establish the practice of self-study of Marxism in the cadre force.

We must integrate the study of Marxism-Leninism with the transformation of the world outlook. Some of our cadres waver in the political storm and fail to stand the test in the socialist commodity economy because this is greatly related to the relaxation of the transformation of the world outlook. When we study Marxism, we must pay attention to linking study with the ideological realities; use the proletarian world outlook, view of life, and view of values to arm our minds; use the communist ideals and morality to mold our thinking and sentiment; resist the influence of the capitalist decadent thought; firmly establish the idea that the interests of the people are higher than everything else; and consciously foster the work style of hard struggle.

Second, it is essential to consistently adhere to and implement the principle of "four transformations" of cadres and the criterion of having both ability and political integrity for the cadres. In compliance with the requirements of Comrade Jiang Zemin's speech, we must continue to "adhere to the party's criterion of having both ability and political integrity for the cadres and continuously and completely implement the principle of making the cadre force more revolutionized, younger in age, more knowledgeable, and more professional, as the CPC Central Committee and Comrade Deng Xiaoping put forward." What principles are implemented and what criteria are stuck to in the employment of cadres have a bearing not only on what road is taken to lead the cadres to grow up and on what people wield the leadership power in their hands. The criterion of

having both ability and political integrity is a consistent principle of our party for selecting, promoting, and employing cadres. It is imperative to pursue the criterion of having both ability and political integrity in the specific links of cadre personnel management. While recruiting cadres, we must recruit good cadres according to the criterion of having both ability and political integrity; while assessing cadres, we must assess them completely in the aspects of morality, ability, diligence, and achievements, focusing on their political and ideological manifestations and work achievements; and in the promotion of cadres, we must measure them in the aspects of morality and ability, stressing their political and ideological manifestations and achievements in work. Only by building the cadre force according to the principle of "four transformations" for cadres and the criterion of having both ability and political integrity can we guarantee that the our cadre force's quality is good and that our cadre force will not degenerate.

Third, we must pay attention to training and steeling cadres in practice. To prevent cadres from being divorced from the masses and reality, we must gradually establish a system of exchange of cadres and their posts and put this system on a sound basis, exchange leading cadres of different departments and units in a planned way, and exchange their posts in the same departments and units so that the cadres can be tempered in a more extensive scope and they can widen their field of vision and enhance their ability. It is necessary to organize cadres, especially young ones, to go deep into the grass-roots units, the masses, socialist modernization construction, and the practice of reform and opening up so that they will be well acquainted with society, know the national conditions, enhance their views on the masses, and establish a work style of being practical and realistic.

Fourth, it is imperative to strengthen building of a clean and honest cadre force. We must strengthen the building of a clean and honest administration through the implementation of certain management systems and measures, including the rights and obligations of cadres, political discipline, working discipline, and the codes of behavior that should be observed in social contacts and public affairs, so that the cadres are clear about what they should do; what they cannot do; and what laws, regulations, and systems should be used to standardize and restrict the cadres' behavior. It is essential to put the supervisory mechanism on a sound basis; to really strengthen the cadre force's internal supervision and the masses' supervision of the cadres; not to be indulgent toward those who defy party discipline, political discipline, and law and commit all kinds of outrages; and to enforce party discipline and state law upon them.

Fifth, it is necessary to further reform the cadre personnel system. To build a cadre force that can withstand tests, we must also stress the building of a system because a system has an overall nature, stability, and a long-term nature. We must profoundly appreciate the gist of "further reform of the cadre personnel system," as forwarded in Comrade Jiang Zemin's speech and on the basis of the

requirements for cadre personnel management in the new historical period, and reform and perfect our country's cadre personnel system. Our country has many excellent traditions in cadre personnel management and must inherit, carry forward, and update it in the new historical conditions and systematize it. We must put on a sound basis the systems of recruitment, assessment, punishment, reward, promotion, demotion, exchange, rotational change, and training of cadres and avoidance of favoritism so that the personnel management system can have a better part in implementing the party's principle of taking economic construction as the center, adhering to the four cardinal principles, and sticking to the basic line of reform and opening up and provide vigorous systematic guarantee building of a cadre force that can stand tests.

Further Steps in Civil Service Reform Announced

HK1003020692 Beijing CHINA DAILY in English
10 Mar 92 p 1

[By staff reporter Li Hong: "A 'Bold' Move To Trim the Civil Service"]

[Text] In a new, "bold" move to trim the country's swelling administrative structure, the central government announced yesterday a series of steps to reform the decades-old administration.

The size of all government institutions will be slashed, a new civil service system will be in place by 1995, and the pay system for cadres will be reformed.

Minister of Personnel Zhao Dongwan reiterated at yesterday's work conference the latest speech by reform architect Deng Xiaoping to introduce bolder traits to the restructuring process.

Steps discussed at the national personnel meeting include:

- The scale and management function of local governments at provincial, prefectural city, county and township levels are expected to be trimmed and modified.
- Pay for cadres, which has been based on rank and seniority only, will instead put more weight on ability and work performance.
- A timetable will be set for introducing the civil service system in the State Council ministries and departments, provincial and major city governments within three years, from 1993 to 1995.

Premier Li Peng has earlier stressed the importance of local administrative reform, saying that the economic and technological branches of local governments can be separated from the administration and become corporations in order to be responsible for their own income and expenditures.

To this end, the Ministry of Personnel has planned to expand trials of local organizational reform this year.

which is being experimented in Huarong County of Hunan, Baoan County of Guangdong, Dingxi County of Gansu and Changyi County of Shandong Province.

The localities have all disbanded such government agencies handling materials, textile, power supply, aquatic products, light industry, farming machinery, grain and forestry management.

And they have merged overlapping departments. Both measures reduced the scale of government and removed administrative interference in the operation of local businesses.

Sources from the Ministry said that China's local Party and government offices are over-staffed, with about 500,000 functionaries. That's about 15 percent more than the number set and paid for by the central government; the pay for the excess employees comes out of the local budgets.

However, the current State Council stepup [as published] will "remain unchanged" until next year's Eighth National People's Congress, Zhao quoted Premier Li Peng as saying.

The Party Central Committee has set up a special committee to monitor streamlining of swollen government structure, sources said.

The planned staff-trimming is the second such action taken by the Chinese government since 1988, when the State Council cut its total staff by 8,000.

Coupled with the streamlining drive, steps are being taken on introducing the new civil service system.

Personnel Minister Says Conditions Ripe

OW1003024892 Beijing XINHUA Domestic Service
in Chinese 0850 GMT 9 Mar 92

[Text] Beijing, 9 March (XINHUA)—In a statement issued here today, Zhao Dongwan, minister of personnel, said: The conditions are basically ready for implementing a public servant system. Now we have a good opportunity to speed up the implementation of the system.

He said: Under a preliminary plan for 1992, we will deepen and expand the pilot project and actively prepare for comprehensive implementation of the system; beginning in 1993, we will implement the system in the central and provincial governments as well as the governments of cities with independent economic authority, and we will strive to basically set up the system in all the governments before the end of 1995; thereafter, the system will be gradually introduced to prefectures, counties, and townships.

It is understood that six departments under the State Council and two cities have experimented with the system.

Zhao Dongwan outlined the following main tasks for this year's structural reform: further expanding and deepening the experiment with structural reform in provinces, prefectures (cities), and counties; and continuing to freeze the authorized size of personnel and screening, reorganizing, and cutting back the number of unauthorized personnel so as to pave the way for reform in the next stage. He said: While stepping up efforts to advance structural reform in offices, it is also necessary to ensure good work in reforming the management system of institutions according to the principle of separating government administration from personnel appointment, and in conjunction with the reform of the management system of science and technology, education, public health, and culture.

The minister said: The main purpose of reforming the wage system in offices and institutions is to establish a system in line with the special characteristics of each office and institution, implement the principle of to each according to his work, eliminate egalitarianism, and set up healthy mechanisms for promotions and wage increases, thereby bringing into full play the functions of wages.

He said: We must persist in and improve the system of appointing enterprise cadres. In the future, enterprises must select and appoint cadres from among outstanding workers. We must abolish the practices of "iron rice bowl" and "iron armchair" and achieve a breakthrough in setting up rigorous competitive mechanisms so that people can work at higher and lower levels as required.

He said: The party Central Committee and the State Council have adopted an major policy decision to issue special allowances to experts, scholars, and technical personnel with prominent contributions. This trail-blazing policy decision shows recognition and respect for the fruits of labor of specialized technical personnel. We shall further improve the selection system and work procedures to ensure smooth implementation of the policy.

It is understood that the honor of special allowances has been granted to some 9,000 experts, scholars, and technical personnel with prominent contributions. In addition, the government has also issued living allowances and raised the wage grades for experts who returned to settle down in China during the early days.

Background to Reform

OW0903140392 Beijing XINHUA in English
1314 GMT 9 Mar 92

[Excerpts] Beijing, March 9 (XINHUA)—China plans to implement a civil servant system for central and provincial governments beginning next year and complete it by 1995, two years earlier than the original schedule.

This was revealed by Minister of Personnel Affairs Zhao Dongwan here today. [passage omitted]

China began to experiment with the system at six departments of the State Council in April, 1989. These departments have tried the employment, testing, awards, promotions, avoiding conflicts of interest and training of their employees according to the demands of the regulations of the civil servant system.

These trial departments, after adopting the new system, have improved their work drastically.

The minister called on the six departments to deepen their experiments and convert into normal operation as soon as possible. "more departments should be chosen to try the system. the local experiment of the system should be undertaken at full scale," the minister added.

Implementation with individual systems should be sped up, according to Zhao, such as the exchanging system, the system of avoiding conflicts of interest and employment, which are needed for fighting against corruption, and strengthening the construction of clean and efficient government.

China plans to set up 15 degrees for civil servants, whose employment, either to be appointed or tested, will be decided by their degrees.

Jiang Zemin Visits Nanjing University

HK0903094592 Beijing GUANGMING RIBAO
in Chinese 15 Feb 92 p 1

[Article by Fang Yanming (2455 1693 2494), originally carried in 23 Feb ZHONGGUO JIAOYU BAO: "Baton of Revolutionary Course Should Be Passed on From Generation to Generation—General Secretary Jiang Zemin Calls on Teachers and Students of Nanjing University"]

[Text] A number of people got out from a creamy white van that pulled up in front of a Nanjing University lecture hall on the morning of 24 January. Heading them was a very familiar figure of stout physique, glowing with health, and radiating vigor.

One of the students spotted the man, to his surprise and pleasure, exclaiming: "Is not that General Secretary Jiang?" "General Secretary!" At that moment, teachers and students passing by saluted General Secretary Jiang with a look of care, while the latter waved his hello at everybody with smiles.

At 0850, General Secretary Jiang visited the Computer Science Department's lab, accompanied by Han Xingchen [7281 2502 5256], Nanjing University Party Committee secretary; Qu Qinyue, university president; Sun Zhongxiu, university vice president and concurrently Chinese Academy of Sciences member, briefed the General Secretary on the university's tackling the bottlenecks of the "863" hi-tech project.

At 0915, General Secretary Jiang arrived at Nanjing University semiconductor superlattice lab, and Professor Zheng Youdou briefed him on the lab's work

conditions. General Secretary Jiang, was Electronic Industry minister, is very familiar with things in this area. He asked questions about conditions in the development of infrared and radar technology, and observed the comprehensive demonstration of the functions of the new approach for the growth of superlattice work. He told Lieutenant General Shi Yuxiao, Nanjing Military Region political commissar, who was standing next to him: "Many weapons used in the Gulf war were precisely the practical application of high technology." General Secretary Jiang was very happy when he learned that Nanjing University took the lead in the area in the world back in 1987.

Leaving the semiconductor superlattice lab, General Secretary Jiang strolled across the campus, accompanied by Sun Daren, Jiangsu provincial party committee secretary; Chen Huanyou, governor; Qu Qinyue, university president; and Han Xinshou, university party committee secretary. "How are you getting along with your studies?" General Secretary Jiang Zemin asked two students approaching the company from the other direction.

"We have taken all our final exams, and many students are ready to go home for the Spring Festival," they answered.

The general secretary said: "Students are relaxed when the exams are over; I envy you your life on campus."

At 0940, when General Secretary Jiang arrived at Room 120, the Library, Nanjing University party and administration leading members, all Chinese Academy of Sciences members, and representatives of teachers and students who had long waited here warmly applauded in welcome of the general secretary. When General Secretary Jiang found former Nanjing University President Kuang Yaming amid the crowd, he promptly went up to the latter and said: "Revered Kuang, I first met you in Changchun in 1959. How time flies; it has been 34 years since then. You are still in pretty good shape!" The revered Kuang answered: "I owe it to the party and socialism!" Then the general secretary shook hands with Ding Guangxun, National Chinese People's Consultative Conference vice chairman, concurrently Nanjing University vice president. Then President Qu introduced all of the representatives of teachers and students to General Secretary Jiang, who shook hands with every one of them.

At President Qu Qinyue's suggestion, General Secretary Jiang delivered a speech. When he saw that everybody was still standing there, he was bent on asking the revered Kuang and Ding as well as other old comrades to sit down: "Old Comrades who are getting on with age must be seated; everybody please take a seat."

"Teachers, students, I arrived at Nanjing at 1800 last evening, and this has been my first activity since arriving in Nanjing. Recently, I have also been to Xiamen University and Guizhou Nationality Institute. I am very happy to see our students full of vigor and vitality. The baton of revolutionary course must be passed on from

one generation to the next, like waters in a river running forever wave upon wave, continuously making progress. Present here today are some people who are older than I am, but the overwhelming majority of comrades here are younger than I am. After the political storm in 1989, many people posed the question of what attitude the party should hold toward young people. I said, we should fully trust them. That is not diplomatic parlance; in the language of literature, such trust comes from the bottom of our hearts." Upon this, the audience warmly applauded.

"The Chinese nation is one with great wisdom; many offspring of the Chinese nation have made great contributions in the area of science and technology, enjoying a very high reputation in the world. Today, I have seen research in superlattice work at Nanjing University, and I am very happy about it. Here, we can see that we are capable of research with good results and bringing up fine qualified people."

Then General Secretary Jiang said, a serious flood hit parts of China last year. The flood tested our party organization, people, and army. Practice proved that they have all stood the test. In a large country with a population of 1.1 billion like ours, it is imperative to adhere to the party leadership and the path of building socialism with Chinese characteristics, and no other path can be successful.

General Secretary Jiang reviewed the century that Chinese people suffered from the invasion of foreign capitalism and imperialism in modern history. He earnestly admonished those present, we must always bear in mind the humiliation our nation suffered, work with a will to make the country strong, and do a good job of socialist modernization.

In warm applause, General Secretary Jiang made obeisance by cupping one hand in the other before his chest, and said: "Here, I wish you a happy New Year!" Soon, the news that the general secretary was visiting the university spread all over the campus.

At around 1000, when General Secretary Jiang came out of Room 120, several hundreds of teachers and students waiting outside of the room warmly applauded. Some people in the crowd spontaneously shouted: "Hello, General Secretary!"

The general secretary waved his hand to the crowd to extend his greeting: "Hello, students! Hello, teachers!"

Yang Baibing Sends Books on Ideology to School

*OW0903115092 Hangzhou ZHEJIANG RIBAO
in Chinese 2 Mar 92 p 1*

[Unattributed report: "Yang Baibing Sends Books to Zhou Liping's Alma Mater"]

[Text] On 24 February, 36 members of the "Little Lotus Flowers" service team of Zhongxin Elementary School

in Lianle village, Lishui City, received books from Yang Baibing, secretary general of the CPC Central Military Commission and director of the General Political Department.

These 52 books deal with ideological education for elementary school pupils, including "Poems Written by Revolutionary Martyrs" and "Stories About Noble-Minded Chinese Patriots."

The pupils, students at the alma mater of martyr Zhou Liping, a model hero who died during the struggle against the floods, have volunteered to take care of the martyr's parents. In a letter addressed to the pupils, Yang Baibing expresses his wishes that they will work hard in their studies and become successors to the cause of revolution.

Luo Gan, Chen Muhua Commend Women

*OW0903063292 Beijing XINHUA Domestic Service
in Chinese 0915 GMT 8 Mar 92*

[Text] Beijing, 8 March (XINHUA)—The Work Committee for Government Organs under the CPC Central Committee held a meeting for pacesetters distinguishing themselves in the "Campaign to Encourage Women to Make Contributions" launched among central government organs to commend 100 advanced individuals in the Great Hall of the People on 6 March.

Last year, after the All-China Women's Federation and other relevant departments unfolded an activity calling on women to "cherish high ideals, have moral integrity, acquire a good general education, and have a sense of discipline," "conscientiously strive for self-reliance in four aspects," and make contributions to implementation of the "Eighth Five-Year" Plan, the Work Committee for Government Organs under the CPC Central Committee studied the campaign, drew up plans for it, and issued a circular in good time calling on the vast numbers of women to vigorously dedicate themselves to the great practice of reform and construction, have their feet firmly planted at their duties, work hard, and make contributions to fulfillment of the "Eighth Five-Year" Plan and the 10-Year Program in the course of their participation in the activity. The broad mass of female staff and workers took active part in the activity with a strong sense of political responsibility and with a sense of being the masters of their own affairs and, as a result, gave rise to a number of touching deeds. Advanced individuals receiving commendation at the meeting were chosen through public appraisal from among the vast numbers of women after adequate deliberations and consultations by women's organizations at all levels. Among them are leading cadres who serve the people wholeheartedly and are honest in performing their official duties; excellent personnel who carry out party work; female experts, scientists, and technologists who have made outstanding contributions to the four modernizations; woman athletes who have won honor for the country; woman teachers dedicated to the career of education for the party; and working personnel who have

diligently and conscientiously done a good job of providing logistics services. They have made efforts to fulfill various tasks at their respective posts and scored marked achievements.

The meeting was presided over by Li Mingyu, deputy secretary of the Work Committee for Government Organs. Secretary Luo Gan of the work committee announced the commendation decision.

Chen Muhua, vice chairman of the Standing Committee of the National People's Congress [NPC] and president of the All-China Women's Federation, spoke at the meeting. She said: Central government organs boast a contingent of a large number of good women personnel. Most of them are intellectuals occupying high-level positions. As such, they constitute a decisive force we cannot afford to ignore. Positions occupied by the central government organs are very important; all of their departments undertake heavy tasks to accomplish the various missions assigned for fulfillment in the second year of the "Eighth Five-Year" Plan. It is necessary for woman comrades in central government organs to take note of the responsibilities resting upon their shoulders, continue to successfully give play to their role as "women of the new society able to hold up half the sky" in the drive to promote the four modernizations and building of the two civilizations, and guide activities in connection with the "Campaign to Encourage Women to Make Contributions" to gain momentum in depth.

Science & Technology

Launch Spokesman Details Carrier Rocket Status

OW0803020692 Beijing XINHUA Domestic Service
in Chinese 1121 GMT 7 Mar 92

[Text] Xichang, 7 March (XINHUA)—A spokesman of the China Satellite Launch Monitoring and Control System Department stationed at the Xichang site for launching a satellite for Australia announced here today: After undergoing tests at the technical area for more than a month, the Long March 2-E strapped carrier rocket with powerful thrust to be used in launching the "Aosai-te [3421 6457 3676]-B1" communications satellite for Australia was delivered to the launch area today, and the work of hoisting the carrier rocket and making it stand erect on the launch pad was smoothly completed.

This new model of carrier rocket with powerful thrust made by China was delivered to the Xichang Satellite Launch Center on 17 January. Chinese personnel conducted technical tests with the satellite in a horizontal state at the rocket test building in the technical area. These tests were completed on 16 February. Joint rocket and satellite operations were completed again under close cooperation between Chinese and U.S. technical personnel at the satellite building on 1 March. The present situation shows preparations for launching the satellite for Australia are making smooth progress. In the

next step, China will begin to conduct technical tests with the carrier rocket in a vertical state.

Achievements of Satellite Monitoring Network

OW0703103992 Beijing XINHUA in English
0917 GMT 7 Mar 92

[Text] Beijing, March 7 (XINHUA)—China has made significant progress in satellite monitoring, measurement, remote-control, information exchange, and data processing, a Chinese space official said here today.

China's satellite measurement and control network, which covers a major part of the country, consists of the Xi'an satellite measurement and control centre, an ocean-going space measurement fleet, stationary and mobile monitoring stations, a communications system, and research institutes of measurement and control technology, he said.

"The network is able to keep a close measurement and control of many types of satellites including sun-synchronous satellites, geostationary satellites, and near-earth orbit satellites," he noted.

China's satellite monitoring network has been able to trace the launch of recoverable satellites and the launch of several satellites by one rocket, he said.

The network also takes care of the long-term management of six communications satellites and two meteorological satellites, according to the official.

Recently, China's satellite monitoring network, in coordination with satellite research institutes, has successfully moved a communications satellite, which had been hurled into a wrong orbit last December, to a stable big oval orbit.

The network has successfully traced the movement of "Skylab," "Cosmos 1402" and nuclear-powered maritime reconnaissance satellites as well as provide collected data to international organizations.

Radiation Processing Enters Industrialization

OW1003055392 Beijing XINHUA in English
0516 GMT 10 Mar 92

[Text] Beijing, March 10 (XINHUA)—China's radiation processing technology will enter the industrialization stage, following 30 years of research, development and experiment.

Radiation processing is a newly-developed technology. Its uses include radiation sterilization for medical instruments.

According to the China Radiation Processing Industry Committee which was established February 25, China has nearly 2,000 experts and technicians specializing in this field.

There are 70 units engaged in the research and development of radiation processing in the country, and China has more than 150 sets of radiation equipment and 30 industrial electronic accelerators installed in 32 cities.

Nuclear Corporation To Popularize 27 Projects

*OW1003085392 Beijing XINHUA in English
0703 GMT 10 Mar 92*

[Text] Beijing, March 10 (XINHUA)—The China National Nuclear Corporation has decided to popularize 27 major items of scientific achievements in the nuclear industry.

As one of the steps to speed up transforming scientific achievements into the productive forces, the corporation will establish an office special [as received] to popularize scientific and technological achievements and work out preferential policies to encourage application of the achievements.

According to a spokesman for the corporation, it won national and ministerial-level prizes for 2,500 scientific and technological achievements during the Seventh Five-Year Plan (1986-1990).

The spokesman said that about 220 such achievements have been put into use in industry with a total investment of 120 million yuan, and have generated a total output of 840 million yuan.

Listed in the corporation's Eighth Five-Year Plan for promoting scientific and technological achievements (1991-1995), the 27 major items include a radiation flaw detector, nuclear medical devices and equipment, an air plasma cutter and computer-controlled embroidering machine.

Scientific Achievements in Seventh Five-Year Plan

*OW0903223392 Beijing XINHUA Domestic Service
in Chinese 0823 GMT 9 Mar 92*

[By reporter Zhuo Peirong (0587 1014 2837)]

[Text] Beijing, 9 March (XINHUA)—While the sounds of the gongs and drums celebrating the victory of the six major scientific and technological plans during the Seventh Five-Year Plan period are still lingering in the air, news of achievements in the Eighth Five-Year Plan period keep pouring in. In scientific and technological work, China has achieved much by focusing its efforts on the main battlefield of economic construction, developing high and new technology and industries, and promoting research in basic science. Science and technology are not only playing a more and more important role in economic construction, but have also developed unprecedentedly.

On the main battlefield of economic construction, the state plan for tackling key scientific and technological

problems has solved one major scientific and technological problem after another concerning the national economic and the people's livelihood. Some 10,000 achievements were accomplished during the Seventh Five-Year Plan period, nearly 60 percent of which reached the international standards of the 1980s, and 40 percent of which were developed by China for the first time. These achievements have provided a technical guarantee for high and stable agricultural production and have tackled the key problems in improving professional technology and equipment. Based on the achievements made during the Seventh Five-Year Plan, number of problem-tackling projects for the Eighth Five-year Plan increased from 76 to 177. Among the projects which were started earlier, technology for continuous medium-breadth sheet casting and rolling and other achievements were developed, and a five-megawatt low-temperature nuclear heating plant has started to supply both heat and electricity.

The sparks of science and technology spread by the Spark Plan are now vitalizing the local economy like a blazing prairie fire. Six years after this plan was launched, nearly 30,000 practical technologies catering to town and village enterprises have been promoted, increasing nearly 50 billion yuan in output value. Some 300 spark industries have been set up, and 8 million people have received training. As a result, economic returns of enterprises using spark technologies are 60 percent higher than other town and village enterprises. This plan has guided village industry onto the road of relying on scientific and technological progress and the improvement of worker's quality.

Although the plan for promoting key state scientific and technological achievements was launched later, it has played an important role in advancing technologies for agriculture and large and medium-sized industrial enterprises. Over the past three years, more than 500 achievements have been included in state plans and some 4,000 achievements in local plans. The state plans alone have involved 600 or more scientific research institutions, colleges, universities, and over 2,000 backbone enterprises. Among these achievements, the promotion of technology for quick growing and sparse planting of paddy rice, the technology of joint nitrogen fixation on wheat, the technology of transformer-adsorption gas separation, and the high-efficient packed tower have all created millions, even billions, of economic returns.

In the development of high-and new-technology and their related industries, the state high-tech research and development plan, known as Program 863, has already shown its great might. Since 1987, more than 400 research achievements have been accomplished in the fields of biotechnology, information, automation, energy and new materials under Program 863. Of those achievements, such advanced techniques as a fast neutron reproductive reactor combustion technique and a diamond film technique are technological breakthroughs, laying the foundation for China's long-range economic development.

The Torch Plan, closely linked to Program 863, has rapidly turned high-tech research results into productive forces, bringing about the development of high- and new-tech industries in China. At present, there are 2,700 projects under Torch Plan. Twenty-seven national-level high- and new-tech industry development zones have been established. Several thousand high- and new-tech products have been developed, and some of them have rapidly entered the world market.

In basic research, various projects are proceeding steadily and successfully. In last five years, the state has built 10 large-scale scientific research projects and 71 key laboratories, and the national science fund has supported 20,000 research projects. China is now among the world's advanced ranks in high-temperature superconductivity research and in proving mathematical theories with machinery. Basic research results are being rapidly applied in the society as well as in production.

Shanghai Opens Video Telecommunication System

OW0503102492 Beijing XINHUA in English
0914 GMT 5 Mar 92

[Text] Shanghai, March 5 (XINHUA)—Shanghai, China's largest industrial city, Wednesday opened a local video telecommunication system, the first of its kind in China.

Officials in the Shanghai Posts and Telecommunications Administration say that the system will be used for videoconferences, thus reducing the cost of time and money for trans-sectional meetings.

In addition, the system, which was jointly developed by the Shanghai Local Telephone Office, Shanghai Long Distance Telecommunications Office, and the Shanghai Fax and Digital Telecommunications Company, may also provide visual telephone and broadcasting services, the officials say.

Moreover, the city is going to put into use this March and April a visual meeting system connected with Japan, the United States, and Hong Kong.

Shanghai has largely improved its telecommunications in the past decade. At present tens of local telephone offices have been connected with 2,000 km of underground optical cables. This has not only improved the city's capability in telecommunications, but has also paved the way for the development of fax and high-speed digital telecommunications services.

Beijing Firm Develops New Geodetic Survey System

OW0403143992 Beijing XINHUA in English
1317 GMT 4 Mar 92

[Text] Beijing, March 4 (XINHUA)—A new land survey system, dubbed the BGSS system, has been developed by the Beijing Optical Instrument Factory and put into mass production.

It is a combination of optics, electronics, machinery and computer technology.

Experts have commented that it marks a new advance in geodetic survey instrument development.

The BGSS system consists of an electronic theodolite, an infrared range finder, an electronic storage block, automatic drawing equipment and a computer. It can be used for controlled survey, cadastral survey, conducting wire survey and various types of project surveys.

Meanwhile, it is learned that during the last decade of this century China will spend 1.5 billion yuan on a detailed nationwide cadastral survey; the national topography bureau has recommended the use of the BGSS system for it.

Economic & Agricultural

Chen Jinhua Discusses Furthering Economic Reform

HK0803065692 Beijing ZHONGGUO JINGJI TIZHI
GAIGE in Chinese No 1, 23 Jan 92 pp 7-15

[Article by Chen Jinhua (7115 6930 5478), minister of the State Commission for Restructuring Economy: "Furthering Reform of Economic Structure With Focus on Transformation of Enterprise Management Mechanism"]

[Text] Under the leadership of the party center with Comrade Jiang Zemin as the core, the whole party and the entire people of all nationalities throughout the country consistently carried out the party's basic line of "one center, two basic points" initiated by Comrade Deng Xiaoping and made new progress in all fields of the economic structural reform in 1991. Our country continued to keep political stability, economic development, good social order, and nationality unity. To continue to carry out reform in depth is our firm and invariable principle. At present, the economic environment is comparatively easy, and this provides a rather good condition for furthering reform in depth. The leading comrades of the party center and the State Council all stressed the need to further advance reform and opening up and to appropriately increase the intensity of reform.

Reform Made New Progress in 1991

In reviewing the reform in the past year, we find several important characteristics:

In the changeable international environment, our country's reform continued to advance firmly along the socialist course with Chinese characteristics.

In the last few years, major changes occurred in the international situation. While facing external pressure and internal difficulties, the reform in our country continued to tightly adhere to the socialist orientation. Public ownership continued to be the main body of our economy, and other economic elements were allowed

and encouraged to develop appropriately; the system of distributing income according to work continued to be the dominant factor in the income distribution structure, with other forms of distribution adopted as complements, so people could get rich together; the reform is consistently aimed at promoting the proper combination of the planned economy with market regulation in the development of the socialist planned commodity economy. The party central leadership and the State Council always put the work of improving large and medium-sized state-owned enterprises in a prominent position. Early last year, the State Council formulated 11 policies for boosting the operation of the large and medium-sized state-owned enterprises, and the central work conference further improved these policies and increased them to 20 policies and measures. All these major policies were of great economic and political significance for strengthening the public economy, promoting the in-depth development of reform in all fields, and consolidating and developing the socialist system.

New progress was made in the exploration of concrete ways and forms of combining the planned economy with market regulation.

Through conscientiously summing up the practical experience in the reform over the previous 13 years, an obvious change occurred in people's idea about the issue of combining the planned economy with market regulation, and a consensus of opinion was achieved on the whole. The discussion shifted from the question of whether such combination is necessary to the question of how to concretely effect such combination. In practice, more attention was paid to coordinating the improvement of the overall economic control system with the transformation of the enterprise management mechanism, to the cultivation of various types of markets, especially the wholesale markets and the markets for various factors of production. Many localities, trades, and enterprises created successful experience in combining the planned economy with market regulation, and found some concrete forms and ways to effect such combination.

The economic adjustment and rectification and the in-depth reform complemented each other, and the relationship between reform, stability, and development was properly handled.

The economic adjustment and rectification achieved marked results and created a favorable environment for furthering reform in depth. The State Council and various localities successively put a number of major reform measures into practice. In particular, major action was taken in the field of price reform: The selling prices of grain and cooking oil, which were fixed and unchanged for 25 years, were adjusted to a substantial degree; the prices of iron and steel, cement, crude oil, and railway freight transport were adjusted slightly; and cement, rubber, tinplate, and cold-rolled silicon steel plates subject to unified distribution were also supplied partly at floating market prices. The adoption of such reform

measures was conducive to the rationalization of the price structure and to economic development as well. Because the reform schemes were designed carefully and they were carried out prudently, they did not cause social shocks and did not affect market stability. So they won favorable comments at home and abroad.

Last year, the State Council issued the "Circular on Positively and Carefully Advancing Urban Housing Reform," and held the second national work conference on reforming the housing system. The process of housing reform in the whole country was advanced. The State Council also issued the "Decision on Reforming Pension Insurance System for Enterprise Workers," and stipulated the principle that the pension funds be borne jointly by the state, the enterprise, and the workers themselves according to a reasonable proportion. The multitiered pension insurance system was being established, and the unified management of the pension funds was shifted from the county (city) level to the provincial level.

Reform was guided by the long-term and intermediate-term plans with explicit objectives and key points. This ensured the continuity and stability of various major reform measures.

Last year, the State Council approved the "10-Year Program for Economic Restructuring and Outline of the 'Eighth Five-Year Plan' With Regard to Economic Restructuring," and also approved the "Key Points of Economic Restructuring in 1991." This ensured that the reform work for the entire year was properly coordinated with the previous reform measures and was also adapted to the changing situation and the requirements of the future targets. A number of new reform measures were adopted at opportune moments. More economic means were used to regulate the economic operation around the tasks of improving large and medium-sized state-owned enterprises and further improving macroeconomic control. For example, the interest rates for deposits and loans were once again lowered to stimulate the recovery of production; part of the state treasury bonds were sold, with the financial institutions acting as subscribers, and this changed the previous practice of selling state treasury bonds through issuing administrative quotas; the investment orientation adjustment taxes were newly imposed on investment in fixed assets, and the original construction taxes were canceled in order to better control the orientation of investment.

Guiding Principles and General Arrangements for Reform in 1992

Further reform in depth is our firm and invariable principle. At present, the economic environment is comparatively easy, and there are more favorable conditions for carrying out reform in depth. So it is necessary to further the process of reform and opening up.

The party central leadership and the State Council have decided that this year, the focus of the economic work will be shifted to adjusting the structure and enhancing

economic efficiency. According to this guideline, the guiding principles for the economic structural reform in 1992 include the following points:

- Implementing the spirit of last year's central work conference and the Eighth Plenary Session of the 13th CPC Central Committee; consolidating the achievements of the economic adjustment and rectification; further coordinating the relationship between reform, stability, and development; and ensuring that reform will better promote the sustained, stable, and harmonious development of the national economy.
- Continuing to maintain and strengthen the public economy with stress being laid on improving the large and medium-sized state-owned enterprises; continuing to develop the socialist planned commodity economy; and further exploring the effective ways and forms of combining the planned economy with market regulation.
- Arranging reforms in line with the "10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development" and with the long-term and intermediate-term reform schemes approved by the State Council, thus maintaining the continuity and stability of various major reform measures.
- Giving prominence to key points and strengthening coordination in order to solve the main problems in economic life and to promote the adjustment of the economic structure and the enhancement of economic efficiency; while keeping the balance between gross supply and demand and the relative stability of the economic environment, grasping the opportune moments to appropriately increase the intensity of reform and quicken the pace of reform in the key aspects.

According to the above-mentioned guiding principles, the general arrangements of this year's reform work can be summarized into four phrases: stressing the change of the enterprise management mechanism, quickening the pace of reforming the circulation system, positively advancing the reform of the social security system, and strengthening the indirect control over the general economic situation. Corresponding to the key points, attention should also be paid to properly combining the work of changing the enterprise management mechanism with the work of pushing the enterprises into the market and combining the enterprise internal reform with the relevant backup reform measures in other fields. It is necessary to continue to improve the external environment for enterprise operation, and this includes the positive and steady advance of the price reform. The reform of the commodity circulation system and the work of cultivating markets should be put in an important position; the role of the economic levers should be brought into play in the course of strengthening indirect macroeconomic control; and the reform of the housing system and

the social security system, including the systems of unemployment insurance and medical insurance, should be positively carried on.

This year, another important reform task is to implement the "CPC Central Committee's Decision on Further Strengthening Agriculture and Rural Work." The "Decision" points out the basic principle for the rural reform in the 1990's, that is, continue to consolidate the production responsibility system mainly based on household output contracts, dynamically develop the community-based service system for agricultural production, gradually build up the strength of the collective economy, and guide the peasants to advance along the course of getting rich together. Advancing rural reform in depth is a long-term task. This year, we will mainly fulfill the following tasks: First, while consolidating the contract responsibility system on a household basis with remuneration linked to output, we need to more properly combine separate household operation with unified collective management in various forms. Second, we need to strengthen the community-based service system for agricultural production through setting up various forms of multitiered and multichanneled community-based service organizations under different ownership systems. Third, we should continue to develop township and town enterprises and enhance their management and technological level, and should also adopt various forms to encourage the movement of capital, personnel, and technology from coastal areas to the township and town enterprises in inland areas and to promote the exchanges of technology and resources between coastal and inland areas. Fourth, we need to actively carry out county-level comprehensive reform with focus on properly reforming the economic management system of the county-level governments.

Furthering In-Depth Enterprise Reform With Focus on Changing Enterprise Management Mechanism and Pushing Enterprises Into Market

At present, there are 11,540 large and medium-sized state-owned enterprises which are independent accounting units, and they account for 2.5 percent of all industrial enterprises throughout the country. The total industrial output value produced by these enterprises accounts for 45.6 percent of the national total, and the profits and taxes they turn over or pay to the state account for over 60 percent of the state's total revenue. These enterprises also supply most of the major industrial products and transport and communication facilities that have a vital bearing on the national economy and the people's livelihood. Since the founding of the PRC, the total amount of the state's investment in the fixed assets of these large and medium-sized enterprises accounted for 67.2 percent of the state's total capital investment in industrial projects. In addition, a large number of scientific and technical personnel are employed by these large enterprises. If the large and medium-sized state-owned enterprises cannot operate successfully, they will not only affect the general economic level and strength of our country, but will also

affect the future and destiny of these state-owned enterprises and affect their leading status and guiding role among other economic elements. So, this is a major political and economic issue concerning whether the superiority of the socialist system can be demonstrated. At present, one-third of the large and medium-sized enterprises are running in the red, and the amount of their business losses remains at a high level. If potential losses are also included, the scale of losses may be larger. This is a matter that we must take seriously, and is a major issue that must always be noticed in the course of in-depth reform.

The state-owned enterprises must change their management mechanism. This means that they should set up a management and operation mechanism suited to the requirements of the socialist planned commodity economy under the guidance of the state plans. The enterprises should be allowed to organize their own production and business activities according to the market demands and the principle of economic results, with the state's legitimate rights and interests as the owner of the assets being guaranteed. The enterprises which perform social service functions should properly provide services and participate in fair market competition so that the good can develop and the bad can be eliminated. This will thus promote the adjustment of the industrial structure and layout, the product structure, and the enterprise organizational structure and the enhancement of the overall quality and efficiency of the national economy. By pushing enterprises into the market, we mainly mean that plans should reflect the market demand and embody the law of value; the enterprises' production should be oriented to the market and the users; the enterprises should make full use of the market to procure raw materials and sell their products; the funds for the enterprises' self-transformation and development, except for those being supported by the state as key projects, should mainly be raised through the market; and the business results and economic efficiency of the enterprises should be assessed by the market rather than by the examination and comparison of the administrative departments.

The market that the enterprises are facing is an extensive concept. The market represents the aggregate of all exchange relations. Under the premise of giving full consideration to the optimal distribution of resources and the reasonable movement of the factors of production, the enterprises should correctly approach and apply the regulatory role of the market and should have a stronger sense of market. In practice, they should pay attention to both tangible markets and intangible markets; they should pay attention to urban markets as well as rural markets which are broad and have enormous potential; and they should both orient their operation to the domestic market and should also strive to open and diversify the international market. The enterprises must have vast courage to seek all available channels to enter and occupy whatever markets they can attain, get a firm foothold there, expand the share of market, and grow through market competition.

The central work conference pointed out: "At present, a major reason for the lack of dynamism in enterprises is that the regulatory role of the market mechanisms cannot be brought into full play." It explicitly pointed out the need to "push the large and medium-sized state-owned enterprises into the market." In the early period of reform, in order to change the situation in which the state exercised excessive and rigid control over enterprises, reform started from the step of delegating more powers and leaving more profits to the enterprises. The "CPC Central Committee's Decision on Reform of the Economic Structure" adopted by the Third Plenary Session of the 12th CPC Central Committee explicitly mentioned, for the first time, that socialist enterprises should be commodity producers and dealers that operate independently, bear sole responsibility for their own profits and losses, and have the ability to transform and develop themselves. After that, in the reform practice, various localities actively explored ways of actually turning enterprises, especially the large and medium-sized state-owned enterprises, into socialist commodity producers and dealers. In recent years, most state-owned enterprises adopted the management contract responsibility system, which has played a positive role in arousing the initiative of the enterprises and the workers and increasing the enterprises' dynamism. However, it should also be noted that the management contract responsibility system cannot thoroughly solve the issue of making enterprises responsible for their own profits and losses and prompting them to exercise self-control. At present, the task of changing the enterprise management mechanism under the guidance of the state plans and pushing enterprises into market has been explicitly put forward. This is the fundamental solution for freeing the large and medium-sized state-owned enterprises from the present predicament, enhancing their economic efficiency, and promoting the growth of the public economy. Only by changing their management mechanism and entering the market can the state-owned enterprises actually and effectively combine the planned economy with market regulation and make substantial progress in building up the new structure of the socialist planned commodity economy.

Changing the enterprise management mechanism and pushing enterprises into market will be a protracted process. We should act according to the "CPC Central Committee's Decision on Reform of the Economic Structure" and the "Enterprise Law," properly implement the 20 policies and measures laid down by last year's central work conference, and actually satisfy every concrete requirement of the policies. Through the in-depth reform inside the enterprises and the changes in the enterprise management mechanism, the enterprises will gradually develop the blood-making function and thus possess the sources of their unexhaustible vigor and dynamism. This year, in order to change the enterprise management mechanism and to push enterprises into the market, we should mainly fulfill the following tasks:

First, the implementation of the "Enterprise Law" should be taken as the main grounds for changing the enterprise management mechanism.

The "Enterprise Law" is a basic law for safeguarding the enterprises' legitimate rights and interests, regularizing the enterprise behavior, regularizing the economic management functions of the governments at various levels, and promoting the transformation of the enterprise management mechanism, and it is also a powerful weapon for protecting reform and guaranteeing the in-depth development of the reform. The process of implementing the "Enterprise Law" is also the process of forming and improving new management mechanisms in the enterprises and the process of pushing enterprises into the market. It is also the process of the growth of the new structure of the socialist planned commodity economy.

This year, the implementation of the "Enterprise Law" should be taken as a major task in carrying out in-depth enterprise reform. Government institutions at all levels should strictly act according to the "Enterprise Law," conscientiously safeguard the legitimate rights and interests of the enterprises, and take it as one of their major tasks to study, give publicity to, and implement the "Enterprise Law" and take this as a major part of the effort to popularize the legal knowledge among the people. Enterprises should use the "Enterprise Law" as a weapon to safeguard their own rights. The economic restructuring departments should cooperate with other departments concerned in tracing, examining, and reporting the situation of implementing the "Enterprise Law" in various localities, and should study, coordinate, and solve problems arising in the course of implementing the law in good time.

In order to better implement the "Enterprise Law," the State Council has enjoined the State Commission for Restructuring Economy, the State Council's Production Office, and the State Council's Legal Affairs Bureau to jointly formulate a set of "Interim Rules on Changing the Management Mechanism in Industrial Enterprises Under Whole People Ownership" before establishment of the perfect and comprehensive rules on the implementation of the "Enterprise Law." This document will explicitly draw a line of demarcation between ownership rights and management rights in legal language, thus ensuring the value and appreciation of the state-owned assets and also ensuring the self-determining right and responsibilities of the enterprise in their production and operation. The document will also regularize the relationship between the state, the enterprise, and the individual worker. It will reiterate that the transformation of the enterprise management mechanism is aimed at gradually turning the enterprises into socialist commodity producers and dealers that operate independently, bear sole responsibility for their own profits and losses, and have the ability to transform and develop themselves. It will stress that at present, the most important steps are to break the "big pot" and establish the mechanism of bearing responsibility for the enterprise's own profits

and losses; to break the "iron rice bowl" and establish an income distribution mechanism that can flexibly adjust the distribution of income; to break the "iron chair" and establish an employment and cadre appointment system that makes it possible to hire as well as fire workers and to appoint as well as dismiss cadres; to overcome the excessive inclination of the national income distribution to the side of the individual and the ill-coordinated investment tendency and establish the mechanisms for regulating income distribution and investment; and to establish the incentive and supervisory mechanisms.

The most important point in the implementation of the "Enterprise Law" lies in the proper handling of the relationship between the owner and the manager, with both ownership rights and management rights being ensured. At present, in order to improve and invigorate the enterprises, it is necessary to conscientiously guarantee the enterprises' self-determining rights in their production and operation, which includes the right to plan and arrange their production and operation and the right to fix prices for their products. As for the enterprises' internal management powers, at present, it is now necessary to mainly ensure the power of income distribution within an enterprise, the power to handle labor and employment affairs, the power over cadre management, and the power to decide internal institutional setup. Ensuring the enterprises' self-determining rights is not the final aim; the aim is to properly combine the enterprises' independent operation with their status of bearing responsibility for their own profits and losses and to guarantee their vigor and dynamism through fully exercising self-determining rights and possessing corresponding management mechanisms, thus strengthening their competitive power and better participating in the market.

In order to increase their market competitive power, enterprises should increase their own rallying force, and this is of great importance. This requires that the internal leadership system in enterprises be rationalized according to the three requirements stipulated by the central authorities many times. That is, they should further give play to the role of the party organizations as the political core, should maintain and improve the factory director responsibility system, and should rely on the working class wholeheartedly. Enterprise reform, technological progress, and reinforced management are basic factors for the enhancement of the enterprises' overall quality. With the in-depth development of the reform, enterprises should establish the incentive mechanisms for promoting technological progress; ensure strictly scientific management; arouse the initiative of the workers; and maintain, consolidate, and develop the fine tradition of "two participations, one transformation, and three-in-one combination."

In order to increase enterprises' market competition capacity, it is necessary to appropriately expand their powers for making investment decisions and adjusting production structure. Large enterprises and enterprise groups in line with the state's industrial policy should

have power to decide on common technological transformation projects and small-scale construction products in order to increase their reinvestment and development capacity. This should be carried out in connection with the implementation of the compound financial budgeting system. The pace of reforming the technological transformation and capital construction investment system should also be quickened.

With the enterprises' self-determining right in operation being guaranteed and their participation in market competition, which makes the good win and eliminates the bad, an inevitable result will be the adjustment of the enterprises' product structure, organizational structure, and industrial structure. The production of goods which are oversupplied and which are not in line with market needs and the state's industrial policy must be restrained, and some enterprises which were poorly managed, incurred serious business losses, and could not repay debts over a long time should encounter the "red light" and be ordered to close down, suspend production, be merged into other enterprises, shift production, or go bankrupt according to the law. Thus, the factors of production can move and realign in a reasonable way.

It is necessary to more properly carry out the pilot projects of the stock system in order to promote the reasonable adjustment of the enterprise organizational structure; to raise funds needed by production development; and to explore the effective ways to separate enterprises from government institutions, change the enterprise management mechanism, and consolidate public ownership. The general guiding principle is to set up perfect rules and regulations, thus preventing large-scale speculation and the new forms of unfairness in income distribution. It is also necessary to prevent stocks from being held by a small number of people, who can thus form a force to rig the market. The state should strengthen management over the stock market. It is necessary to give guidance to different types of pilot projects of adopting the stock system on the basis of summing up experience in the past years; positively and prudently advance the stock system with stocks being held by legal persons; expand the proportion of shares held by workers in the same enterprises in a planned and orderly way; properly handle the pilot schemes of issuing stocks to the general public in society on the basis of intensified management, and allow the three provinces of Guangdong, Fujian, and Hainan to carry out the pilot schemes of issuing stocks (not being listed in stock exchanges) to the public according to their power authorized by the central authorities to the reform and opening up comprehensive experimental zones. It is urgently necessary to solve the issue of the circulation and transaction of the stocks of some joint-stock companies which have not been allowed to be listed in stock exchanges. Under the premise of not increasing stock exchanges, the stocks of joint-stock companies in other localities that meet the requirements can be listed on the stock exchanges in Shenzhen and Shanghai. The stocks

of enterprises and enterprise groups that adopt the stock system can be selected to circulate inside some designated securities markets.

Second, in order to increase their dynamism, the state-owned enterprises must take the initiative in orienting their operation to the market, enter the market, and expand the market.

The central work conference pointed out: The enterprises' dynamism should find expression mainly in the following six aspects: 1) their products should have competitive power; 2) their technology should have the capacity of developing new products; 3) their assets should be able to grow; 4) they should be adaptable to the market; 5) their leading bodies should be united and aggressive; and 6) there should be a rallying force among their workers. As the final results of the enterprises, they should be suited to the development of the socialist planned commodity economy. The experience of various localities in improving enterprises shows that state-owned enterprises must have a strong sense of the commodity economy and the market, gradually shift the impetus for their existence and development from relying on the state plans to being good at making use of market regulation, take an active part in the intense market competition at home and abroad, organize various resources and factors of production through the market, and orient their operation to the market and expand their marketing channels. The market demand constitutes the source of their dynamism in business operation, and enterprises should be highly adaptable to the market demand. This requires that the enterprises set up mechanisms of making technological progress in order to raise product quality and economic efficiency. It is necessary to stress the development of new products and new technologies. Enterprises should pay close attention to the tendencies of the domestic and international markets; gather information about market demand; increase financial, material, and personnel resources for new technology development inside the enterprises; increase the proportion of the scientific and technical personnel in enterprise workers; consolidate the internal research and development institutions and adopt a system of awards to the scientific and technician personnel; and link the awards with the development and sales of new products. It is also necessary to strengthen product marketing, perfect the marketing institutions, build up the sales contingent, boost the work enthusiasm and professional competence of the sales personnel, improve post-sale services, and expand the market shares of the enterprise products.

Third, make great efforts to cultivate markets, further facilitate circulation, and create a necessary market condition for the enterprises' participation in market competition.

In order to further give play to the regulatory role of the market, enterprises must establish the mechanisms for participating in market competition. At the same time, governments at various levels should make great effort to

cultivate markets, intensify the reform of the circulation system, and provide a necessary market condition for the enterprises.

At present, the main factors that hinder commodity circulation and market growth are as follows: First, some localities and departments proceed from their partial and immediate interests and set up artificial trade barriers and blockade, and this has led to the division of the market and has caused some "clogs" to commodity circulation, thus hindering the forming of a unified market in the whole country. Second, the price system remains unreasonable, and supply-demand relations of some commodities were distorted. Third, some commercial institutions have not properly changed their operational mechanisms and are still short of dynamism. In view of these problems, governments, especially city governments, should change their functions, and must not pursue local protectionism. They should actively advance the reform of the commercial, material distribution, and foreign trade systems; facilitate commodity circulation; and promote the growth of the market. This year, efforts will be focused on the further cultivation of various types of wholesale markets, including the improvement of the wholesale markets for grain and other agricultural products and for industrial consumer goods and the establishment of standard commodity exchanges, thus better coordinating relations between production, supply, and marketing; tightening relations between production enterprises, circulation enterprises, and users; and gradually developing regional and national unified markets. Relevant market rules and regulations should be formulated in good time in order to overcome market blockade. Various localities and departments should adopt strict measures to eliminate various exclusive, discriminative, and monopoly rules and policies; to remove various checkpoints; to allow products of other localities to enter local markets; to ensure fair competition on an equal footing; and to promote the smooth circulation of goods and the prosperity and development of the market.

The market must be well-managed and orderly. In the course of developing the market, it is necessary to correspondingly strengthen the formulation of the market rules and regulations and strengthen market management and supervision, thus checking all unfair competition and all illegal activities that disrupt the market order. All transactional activities must follow the rules and regulations and must be legal. The market management and supervisory department should also consolidate itself, and continuously enhance the political and professional quality as well as their management skills.

If the price structure is unreasonable and the price management system is imperfect, the market will not be able to develop healthily in the orientation of fairness, openness, and orderliness, and this will hinder commodity circulation and fair competition among the enterprises. At present, the balance between gross supply and demand is kept in a rather good condition, and the

conditions for positively and carefully advancing the price reform are ripe. Various localities should strictly implement the policy concerning the retail price index laid down by the state and follow the unified price policy of the central authorities, and ensure the basic stability of the general price level according to the state's unified stipulations with regard to major commodities that have a bearing on the national economy and the people's livelihood.

The state-owned commercial, foreign trade, and material distribution enterprises should be the main channels of commodity circulation. By mainly relying on the positive and in-depth internal reform of these enterprises, they should gradually separate management from daily operation, promote the change of the operation mechanisms, and provide high-quality and highly efficient services for both suppliers and demanders, thus increasing their economic strength and competitive power. It is necessary to further adjust the organizational structure of the circulation enterprises, encourage the development of industrial-commercial, industrial-foreign trade, agricultural-industrial-commercial, and agricultural-industrial-foreign trade combination bodies, and properly develop economic association in the fields of distributing, processing, exporting goods and materials, and information and investment consultation service. It is necessary to gradually develop a number of circulation enterprises and enterprise groups that do business in a scope cutting across the jurisdiction boundaries of provinces and departments so they will play a backbone role in market competition.

Some localities have acquired much useful experience in cultivating markets and facilitating circulation, with governments "putting up the stage" and enterprises "putting on shows." Suzhou City actively built up markets with the government giving sponsorship, the departments concerned preparing for the establishment and jointly exercising management, enterprises being invited to sell their products, and all parties concerned gaining benefit. The city has set up a number of backbone specialized markets, fair markets, and markets composed of various types of small and medium-sized commercial institutions. Wuxi, Shenyang, and Shijiazhuang set up production materials distribution centers, and this played a very good role in socializing the circulation of materials, rationalizing the stock of goods, and speeding up the turnover of funds. A central grain wholesale market was set up in Zhengzhou, and regional grain wholesale markets were set up in seven provinces including Anhui, Jiangxi, and Hubei. This has explored a rather good way of promoting commodity circulation.

Fourth, governments at various levels should be conscious in changing their functions and forms of economic management, raise their work efficiency, and create a necessary macroeconomic environment for enterprises entering the market.

To change the government's function and form of economic management, the key lies in replacing its direct

management of enterprises' production and operation to its role in cultivating and managing the market and gradually establishing an effective macroeconomic management system mainly based on indirect regulation and control. In order to establish the economic operation mechanism that combines the planned economy with market regulation, the government's role in economic management should be mainly reflected in keeping the gross supply-demand balance, regulating various major ratios in the economic structure, curbing inflation, and preventing major market fluctuations. The government should also formulate and promulgate industrial policy, adjust it according to market changes in good time, publish information about demand in domestic and international markets, guide enterprises to adjust their production structure, and promote the rationalization of the economic structure; formulate financial, monetary, and import-export policies according to the industrial policy, and achieve the state's economic development objective and ensure fairness in the income distribution through comprehensively using such economic levers as interest rates, tax rates, and exchange rates in a well-coordinated way; and formulate rules and regulations to regularize the behavior of producers, dealers, and investors and to regularize the market order and the circulation order, thus guaranteeing the sustained, stable, and harmonious development of the national economy. It is necessary to better coordinate the work of the departments in charge of enterprises in various industries and the work of the departments for comprehensive economic management as well as the work of different departments for comprehensive economic management, and reduce frictions among them in order to form a general policy-making environment conducive to the changes in the enterprise management mechanisms and to the efforts to push enterprises into the market.

The work of changing the government's economic management function should proceed from the departments in charge of enterprises in various industries. These departments should no longer consider the enterprises as their subsidiary institutions and should not continue to use such old methods as examination, assessment, and acceptance in managing the enterprises; instead, they should stress overall planning, coordination, service, and supervision in the industries they manage, stop all unnecessary administrative interference, stop upgrading enterprises, stop using the administrative means to rank the performances of the enterprises, and actually reduce the burdens imposed on the enterprises.

The key points of this year's economic restructuring are: narrowing the scope of mandatory planning, with some mandatory plans being carried out by means of fixing items, fixing quantity, and fixing prices through consultation between the supplier and the demander or by means of placing the state's priority orders; improving management through guidance planning effected by means of contracted purchases and coordination of production and demand; setting up a set of comprehensive economic indicators with economic efficiency as the

center, and not using the growth rate of output value as a yardstick to measure the business performances of the enterprises. At the same time, according to the state's industrial policy and according to various local industrial layouts and economic scales, the powers for examining and approving capital construction and technological transformation projects should be divided so an investment system with the joint participation of the central authorities, the local governments, and the enterprises can be gradually built up.

With the development of the planned commodity economy and the in-depth advance of the economic structural reform, the financial and monetary means will play an increasingly important role in macroeconomic control. This year, compound budgeting should be adopted fully in the field of financial management, with routine budget being separated from construction budget. The principle of arranging construction according to the amount of revenue should be maintained so that the size of construction can be better controlled. Beginning this year, income taxes levied on state-owned enterprises will be gradually lowered from 55 percent to 33 percent in three years' time. At the same time, taxes will be paid first before loans are repaid, and the contracted profit norm will also be set for after-tax profits. This will prompt the enterprises to change their operation mechanisms. In the monetary field, such means as reloans, preparatory funds, and prime rates should be used to strengthen the role of the central bank in overall economic control; the specialized banks should gradually separate the management of policy-required loans from the management of commercial loans under the guidance of the state's industrial policy; the securities markets should be further developed; the operation of the foreign exchange coordination centers should be improved; and the pilot schemes of stock exchanges should be properly advanced in a positive and prudent way.

Fifth, the reform of the housing system and the social security system including unemployment and health insurance should be quickened in order to reduce the enterprises' social burdens; it is also necessary to guide and adjust the consumption structure, thus providing a favorable social environment for the market activities of the enterprises. Through the pilot projects in the previous years, useful experience has been acquired, and it is now time to reform the housing system on a full scale. This year, according to the principle of "unifying the guideline, adopting policies according to local conditions, and giving guidance to different categories" set forth by the State Council, new progress will be made in the aspects of raising rents, selling houses, building houses on the basis of cooperation, setting up housing foundations and the credit system for housing construction, and cultivating the real estate market. The key to housing reform lies in a good beginning and persistence. Various localities should work out their general programs and concrete arrangements for reforming the housing system, and various provincial capitals and

cities and towns with conditions should take the lead in starting full-scale and well-coordinated housing reform. The cities and enterprises which are carrying out housing reform pilot schemes should continue their housing reform on a full scale as required by the second national housing reform conference.

At present, the main problems in the social security system are: First, under the ineffective management system, social welfare undertakings are not separated from government institutions, but are separately managed by different government departments without proper coordination, and this has aggravated unnecessary frictions. Second, the social insurance funds are not properly and strictly managed and used. The in-depth reform of the social security system should be focused on rationalizing the management system, and setting up a social insurance system jointly supported by the state, the enterprise, and the individual, thus guaranteeing the reasonable use and effective increase of the funds. This year, in connection with the reform of the employment system in enterprises and the adjustment of the enterprise organizational structure, it is necessary to stress the reform of the unemployment insurance system. The unemployment insurance funds should be properly used to guarantee the basic livelihood of the workers being laid off because of the bankruptcy of some enterprises or production suspension or enterprise mergers. It is necessary to quicken the development of the tertiary industry, whose growth rate should be made higher than the growth rate of gross national product. Tertiary industry should be turned into an important force for promoting urban and rural economic prosperity, ensuring the better performance of cities' comprehensive economic functions, and creating more jobs. At present, there are many problems in the reform of the medical service system, and it is rather difficult to advance reform in this aspect. This year, the reform of the health care system should be included in the work schedule, and strength should be organized to study schemes for reforming the health care system, especially reforming the current public-funded medical service and labor protection system, and developing medical insurance supported by local communities.

Creatively Fulfilling Tasks by Taking Steps According to Local Conditions

Reform is a pioneering task, which requires us to continuously enhance our consciousness, update our thinking, and make courageous explorations and progress. Now, we have worked out the general program for social and economic development and economic restructuring in the next decade, but various localities still need to work out their concrete steps according to their specific local conditions. For historical and natural reasons, economic development in various localities is uneven, and substantial differences exist from one area to another. Such differences do not mean that some localities do not need to carry out reform or can take action slowly; instead, various localities should adopt different concrete steps and methods to carry out reform. They should show greater creativity and initiative, and

should decide their priority reform areas, concrete policies and measures in light of their local economic development strategies and in consideration of the main problems they are to settle.

To creatively fulfill our tasks, we should first fully and accurately understand and conscientiously carry out the major principles and policies laid down by the party central leadership and the State Council. Second, we should have a deep understanding of the local conditions and characteristics and have good knowledge about the local advantages for economic development and reform and about the main contradictions, thus formulating feasible measures. Third, we should be good at summing up experience and should not hastily reach conclusions on new things and new problems arising in the course of reform. The productive force criterion should be used to distinguish what is right from what is wrong. The correct should be maintained and developed; and the improper and unrealistic practices should be corrected. Fourth, it is necessary to follow the principle of "adopting everything after experiments, and building the new before tearing down the old." Some major reform pilot schemes must be first carried out properly in order to pave the way for the comprehensive structural transformation after the period of the Eighth Five-Year Plan and to make proper preparations for the economic structural reform in the 1990's. When reform pilot schemes are being carried out, the possibility of errors should be taken into account. Work should be done as carefully as possible in order to reduce errors. When encountering problems in the course of carrying out pilot schemes, we should solve them in good time and seriously sum up experience and draw a useful lesson.

To carry out in-depth reform according to the principle of taking measures in light of local conditions, we have laid down different reform requirements for different types of localities. Various special economic zones, economic development zones, and high- and new-technology industrial development zones should quicken the pace of reform and advance ahead of other parts of the country. The five special economic zones and the two provinces of Guangdong and Fujian are intensively studying and formulating their plans for promoting reform through opening up and taking the lead in setting up new economic structures and operation mechanisms that can promote the development of an outwardly oriented economy, for speeding up the transformation of the enterprise management mechanism, the pricing mechanisms, and the government's economic functions, for cultivating and developing markets for various factors of production, and for strengthening economic legislation and gradually bringing the government's management over socioeconomic activities into line with the established legal system. The high- and new-technology industrial development zones should quicken the pace of commercializing high- and new-technology achievements, applying them to industrial production, and advancing them into the international market. The development of the high- and new-technology industries

should promote the transformation of traditional industries. The experience of the special economic zones should be taken as reference in order to gradually establish, through comprehensive reform, a new economic structure, new operation mechanisms, and corresponding economic environment and conditions suited to the development of the high- and new-technology industries and in keeping with the international practice.

The pilot projects in comprehensive urban reform are different from the preliminary reforms focused on the adoption of favorable policies in the early period of reform; instead, a series of coordinated reforms will be carried out for the purpose of transforming the enterprise management mechanism, transforming the urban governments' economic management functions and methods, rationalizing basic economic relations, and establishing a new structure of the planned commodity economy and the new operation mechanisms that ensures the organic combination of the planned economy with market regulation at the earliest possible date.

Reforms in coastal and inland areas should be properly coordinated so that they support and promote each other. Through in-depth reform, inland areas, especially economically underdeveloped localities, should give full play to their advantages in resources; create a good investment environment; and adopt various forms of attracting personnel, technology, and capital from coastal areas.

All localities and departments will face arduous reform tasks. The economic restructuring departments at various levels should fully display their work initiative, and put forward their proposals for settling problems that urgently need to be solved. They should improve their work methods, go deep into the reality, make investigations and studies, work out feasible measures, solicit support from local leaders for their work, and act properly as advisers and assistants for the governments at the same level. They should ensure the effective implementation of various reform measures by making careful work arrangements with priority being given to the key points and by regularly checking the work and summing up the work experience. Importance should be attached to the coordinating function of the economic restructuring departments. In order to prevent contradictory policies being made by different government departments, the economic restructuring department should participate in the formulation of reform schemes in various functional departments at the same level and should play an effective role in coordinating reform carried out by various departments and coordinating reform policies and measures in various fields. When encountering some major issues in economic restructuring, they should submit their policy proposals to the government after making comprehensive study of the policy opinions raised by the departments concerned. Then, the final policy decision should be put into practice by the government in order to maintain the congruity and integrity of the reform policies.

Technology Imports To Rise 'Dramatically' 1991-95

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[Text] Beijing, March 7 (XINHUA)—China's imports of technology are expected to increase dramatically during the Eighth Five-Year Plan period (1991-95), according to an official from the Ministry of Foreign Economic Relations and Trade.

Zhang Xuming, director of the Technological Import and Export Co., said that the state has decided on an annual 10 percent increase in technological imports in five years from 1991 on.

The focus will be on imports in the areas of energy, transport, raw materials and technological transformation, a coming issue of "BEIJING REVIEW" reported.

In 1991, the volume of China's technological imports reached 3.4 billion U.S. dollars, far exceeding the 1990 figure of 1.27 billion U.S. dollars.

Zhang said that China spent 3 billion U.S. dollars annually on the field between 1986 to 1990, but only 1 billion U.S. dollars between 1981 to 1985.

Zhang is optimistic about 1992's technological import potential. In January alone, China signed agreements with Italy, Spain, Germany, Austria, Japan and France on the import of technology and equipment for China's four major projects with total investment of 700 million U.S. dollars.

The projects involve the transformation of the Guangzhou Ethylene Plant, the Shaanxi Weihe Chemical Fertilizer Plant, the No. 3 Steel Mill of the Wuhan Iron and Steel Complex and the cold rolling section of the Benxi Iron and Steel Works.

According to Zhang, the Chinese Government has decided that part of the needed foreign exchange for import of advanced foreign technology and equipment necessary for large facilities and state technological transformation will be taken out of state reserves of foreign exchange.

The state will send a second purchasing delegation to Western Europe to buy technology and equipment necessary for economic construction.

Recently, China has established a leading group on intellectual property rights in order to speed up the passing of legislation to protect these rights.

The measures will certainly promote China's import of technology and provide more opportunities for sino-foreign technology co-operation and exchange.

Zhang said that China's recent achievement of agreements with the United States over the protection of intellectual property rights will help ease the flow of technological imports from the United States.

Last year, the value of China's technological imports from the United States amounted to 80 million U.S. dollars. Among China's main technological trade partners, the United States is listed as in the eighth place.

In 1991, the former Soviet Union was China's largest technology trade partner and the value of technology and equipment imported from the Soviet Union reached 1.3 billion U.S. dollars.

Zhang said that in future, China will continue to pay attention to developing technological trade and co-operation with various countries in the Commonwealth of Independent States.

He said that China will keep importing technology and equipment from the countries of the Commonwealth of Independent States, and in return provide them Chinese-developed technological equipment.

1992 marks the 20th anniversary of the normalization of diplomatic relations between China and Japan. In 1986, the value of China's technological imports from Japan reached 800 million U.S. dollars, but due to reasons on both sides, their volume then dropped for four years in succession.

By 1990, the figure had fallen to 90 million U.S. dollars and last year, the figure increased to 160 U.S. dollars. With mutual visits of high-ranking leaders of the two countries planned, technological trade is expected to see a great rise in future.

Bond Issues in Asian, European Markets Planned

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[By Wang Xiangwei: "Companies Prepare Overseas Bond Issues"]

[Text] China's two major financial arms are contemplating several bond issues in major Asian and European financial markets throughout 1992.

The Bank of China [BOC], the country's leading foreign exchange bank, plans to issue bonds in Japan and one of the major European financial markets in the latter half of this year.

Meanwhile, the China International Trust and Investment Corporation (CITIC) intends to issue bonds in Japan in the first half of this year.

But officials from the two firms said that the plans were tentative and final decisions are still subject to changes on the international markets.

Zhang Guowen, general manager of BOC's foreign exchange department, said that China's foreign exchange reserves had reached an unprecedented \$40 billion by the end of January.

But China still needs to raise funds on the international financial markets to finance the fast-growing economic

construction, particularly in the industries of communications, energy development, and offshore oil exploration, he said.

Zhang said that BOC has already laid out its fund-raising guideline covering commercial loans, buyer's credits, government loans, mixed loans and bonds.

He said that the bank tended to obtain the U.S.-dollar denominated and Japanese-yen denominated loans and bonds from the international markets.

Another BOC official said that the first issue of about 50 billion yen is scheduled to be floated on the Tokyo market in the middle of this year.

Another issue would be undertaken in the latter half of this year on one of the European financial markets, with Paris, London and Frankfurt under consideration.

She said that an intensive investigation is under way to pinpoint the European market and set forth the dates for bond issues.

However, she said that the international environment for fund-raising is not very favourable, although the low interests rates of U.S. dollars and Japanese yen are appealing.

Foreign Capital To Fund Railway System Renovation

HK0903013092 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 8 Mar 92 p 1

[By Xie Yicheng: "Foreign Loans To Boost Railways"]

[Text] China is planning to use massive foreign capital to expand and renovate its overcrowded railway system during the next four years.

Foreign loans in this respect during the 1991-95 period will "surely surpass \$1.6 billion, a sum used between 1986 and 1990," according to an official with the Ministry of Railways.

The new foreign capital will be used not only to build new lines, but also to improve trains' running speed and safety, said Chen Jiyan, with the ministry's Foreign Capital and Technical Import Office.

The World Bank will send a delegation to China this month for pre-appraisal studies on the sixth parcel of railway projects under the bank's auspices, disclosed Chen.

He declined to specify the loan volume, and only said the projects involve rail telecommunication, electrification and maintenance of existing railway arteries, and the overhaul of locomotives and rolling stock.

Starting from the fifth parcel of projects, the World Bank will grant China more flexibility in using the loans. China can use the World Bank money on any of railway lines listed in the parcel. Chen described the change as

"an approach to speed up the use of foreign loans and cut down on commitment charges."

The two sides signed the loan agreement on the fifth parcel of rail projects last October.

With the \$330 million loan agreed, China is doubling the single line between Hangzhou and Zhuzhou; expanding Xuzhou Terminal and upgrading its automation; and rehabilitating outdated trunk railroads, locomotives and rolling stock.

Besides, China is also using \$850 million from the third Japanese yen loan programme to build the Hengshui-Shangqiu line, a new electrified Baoji-Zhongwei line, and another new electric Kunming-Nanning line.

The seventh parcel of railway projects under the World Bank will be negotiated during the 1991-1995 period and options for using an Asian Development Bank loan to build railroads is also under deliberation, according to the ministry sources.

"Using foreign funds and other hard currency resources, we are quickening the import of state-of-the-art equipment and technology," said Chen Jiyang.

Highlights of import list are the technologies of high-speed running and high reliability railway signalling systems.

To close the gap with the rest of the world, Chinese railway authorities are awaiting extensive technical exchange and co-operation, including the import of advanced equipment.

Encouraging foreign loans to further finance the railway system has become a long-term strategy in China to carry out the open policy and speed up the development of railway operations which remain "the bottleneck of the national economy," said Chen.

Conglomerate With Metals, Minerals Firm Planned

HK0903010992 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 8 Mar 92 p 1

[By Wang Yong: "Minmetals Gears Up for an Import and Export Boost"]

[Text] Liu Zhongliang, the president of China's largest metal and mineral trade company, is a man with both feet on the ground.

He is cautiously steering China National Metals and Minerals Import and Export Corporation (Minmetals) into a conglomerate which will sustain its trade growth through increased investment at home and abroad.

"The reconfiguration is designed to secure domestic export bases and overseas footholds for us," the 53-year-old president told BUSINESS WEEKLY.

"But we are not pushing for a rushed performance; we are moving forward gradually," he said.

The company is now ready to be tied with a cluster of medium and small-sized home steel manufacturers to ensure exports.

It is also forging links with a number of manufacturers of nonferrous metals and minerals to help upgrade the quality of their products for export.

The structural retooling, which will spawn a finance corporation in the company, is expected to be completed by June this year.

In overseas markets, the company will establish more wholly-owned or joint venture projects to tap local natural resources which China is short of, such as iron ore.

Liu made it clear that the investment will be focused on the exploration and processing of natural resources, but with the capacity of dealing in other businesses such as real estate, finance, forestry and the chemical industry.

The Commonwealth of Independent States nations are already poised to co-operate with the company in setting up processing projects whose products will go to international markets.

And Iran is collaborating with the company to explore the country's gold mines and other mineral resources.

"The steadily growing investment overseas is set to boost our global presence and trade," Liu boasted.

The company has branched out in 27 foreign countries and regions, with its business largely tied up in Southeast Asian countries.

But the company is planning more efforts this year to move in to the vast South American markets. Brazil, for example, is looming as a lucrative market with its rich metal and mineral resources.

With more foreign footholds at hand, Liu predicted that the company's import will soar, helped by a revival in the Chinese auto-making industry in the past few years.

The company's import volume last year was \$1.7 billion, said Gao Lixing, a senior economist with Minmetals.

Apart from steel, copper, aluminium and iron ore, the company will also increase its imports of tin plate this year.

Foreign advanced equipment will make up an added proportion of the imports to help Chinese factories process foreign-supplied materials.

To boost the export volume, Liu said he pins much hope on the company's high-tech products developed in co-operation with prestigious Chinese universities and other research institutes.

"In my view, we should reduce the export of our precious resources in their primary states," he explained.

The company has developed a wide range of high-tech products, such as bainitic steel, ductile cast iron pipe, steel slag cement, radiating cross-linked cables and rare earth three basic colour fluorescent powder.

Exports this year are expected to rise 25 percent over 1991 to reach \$390 million, Liu said.

The company started its independent export business in 1988 when it separated from its subsidiaries at local levels. Its average annual export growth rate has been 25 percent, Gao Lixing noted.

Investment Focus Shifting to North, Rural Areas

HK0903010292 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 8 Mar 92 p 3

[By Zhang Li: "Investment Hub Shifts From South to North"]

[Text] With China witnessing remarkable economic progress with the help of foreign investment in its southeastern coastal cities, the investment focus has moved to the north and rural areas, according to a report by China International Economic Cooperation Research Institute.

China's Guangdong and Fujian provinces have enjoyed preferential and flexible economic policies since 1979. Central Government established special economic zones the next year in Shenzhen, Zhuhai, Shantou and Xiamen, and in 1984 14 coastal cities opened to the outside world and 13 economic development zones were established in the cities.

Central Government continued the economic reform in 1985 by opening the Yangtze River Delta, the Pearl River Delta and the Minnan Delta in southern Fujian Province to the outside world.

With the development of the Pudong New Area in Shanghai, more and more foreign businessmen have invested in the 350-square-kilometre area. More than \$100 million of foreign investment poured into Pudong in 1991.

With the improvement of the country's investment environment, foreign investors have gradually shifted their interests from south to the north. At present, inner land provinces and cities, such as Hunan, Hubei, Beijing and Shenyang have become targets of foreign investment.

Some investors have extended their investment interest from coastal cities to their nearby areas. Rural enterprises have especially won favour from foreign investors because such enterprises are easy to accept new management methods and have a stronger sense of market mechanism.

In Jiangsu, for example, half of the foreign-invested ventures in the province are rural businesses. In Dalian, northeastern Liaoning Province, about one third of

Sino-foreign joint ventures are in rural areas and another one third are in the economic development zone in the outskirts of the city.

China places great emphasis on the policy of using foreign investment. Guided by this, more foreign money has been put into export-oriented and technically advanced projects. At the same time, the expansion of foreign funds used in non-industrial projects is now under stricter control.

Industrial projects using foreign investment signed between 1979 and 1989 accounted for 58 percent of the total joint venture agreements signed during the period. The percentage jumped to 84 percent in 1990 and continued to climb to 90 percent last year.

By the end of 1991, 4,300 joint ventures in the country were export-oriented and technically advanced projects, making up one fourth of the total.

According to the General Administration of Customs, exports of foreign-invested enterprises reached \$4.9 billion in 1989. The amount increased to \$7.8 billion in 1990 and \$12.1 billion last year. There were 42 foreign-funded enterprises whose annual exports exceeded \$10 million in 1991.

The leading exporters among such projects were the Antaibao Open-Pit Coal Mine in Shanxi Province, which exported more than \$200 million worth of products last year, and the Kangjia Electronics Company in Shenzhen which sold products valued at \$100 million overseas.

The Chinese Government and enterprises have accumulated rich experience in using foreign investment. The co-operation forms have developed from co-operative management, processing with materials, spare parts and designs supplied by foreign partners and compensation trade to equity joint ventures, solely foreign-owned projects, international leasing and co-operation in developing natural resources.

Now foreign businessmen are also allowed to develop export-oriented industrial parks in some cities and areas. Some coastal cities and special economic zones are also allowing the establishment of joint ventures or foreign financial institutions. The Shanghai Pudong New Area allows foreigners to invest in commodity retail sales businesses. Foreign trading organizations can also engaged in re-exporting, establishing multi-national corporations and enterprise groups in bonded areas.

Increase Seen in Foreign Insurance Policyholders

OW0703031892 Beijing XINHUA in English
0243 GMT 7 Mar 92

[Text] Nanning, March 7 (XINHUA)—China's insurance industry has witnessed a rapid increase of foreign policyholders since the initiation of efforts to strengthen the policies of national reform and opening to the outside world.

Xu Zhenbin, general manager of the overseas service department of the People's Insurance Company of China, told participants in a recent national working conference on foreign insurance which was held in Beihai, the Guangxi Zhuang Autonomous Region, that China's insurance industry began insuring foreign policyholders shortly after liberation in 1949. However, according to Xu, the industry was slow to progress and was all but suspended during the chaotic ten years (1966-76) of the "Cultural Revolution."

The industry resumed its effort to attract overseas business in late 1979 along with the initiation of the policies of national reform and opening to the outside world.

In 1991, the People's Insurance Company of China reported that premiums on foreign policies reached 459 million U.S. dollars, up nine percent over the previous year, and 359 million yuan more than in 1980.

At present, the company has established business relations with more than 1,000 foreign companies, and has opened over 300 agencies in some 100 countries and regions.

The company not only insures foreign nationals, but foreign-funded enterprises and key projects, including the Daya Bay Nuclear Power Plant and the Ertan Hydroelectric Power Station, as well.

It has also insured satellite launches for Hong Kong and Australia.

'Long March for Quality Campaign' Shows Results

*HK0903043392 Beijing CHINA DAILY in English
9 March 92 p 1*

[By staff reporter Ma Zhiping: "The 'Long March' for Quality Bears Fruit"]

[Text] Quality control officials and experts have called for a deeper sense of quality and responsibility among commodity manufacturers and consumers, strengthened government and social quality supervision, and stricter punishment for those who produce and sell poor-quality products.

The officials, including Vice Premier Zhu Rongji, spoke highly of "China's Long March to Quality Campaign" sponsored by the media, which has been warmly received by the public since it was begun early last month.

In a telephoned congratulations to the four-day conference of the Fifth Board of Directors of the China Quality Control Association, which opened in Beijing yesterday, Zhu said the survey had delivered a shock to society by exposing some poorly made goods such as the Qingdao whisky case, in which insects and pieces of rubber were discovered in bottles of liquor.

"The shock will be stronger as the survey exposes more poor quality cases," said Zhu, who also called for more

efforts including close co-operation between various circles and more investigations in finding a solution to eliminating substandard goods.

The survey, an extension of "1991, the Year of Quality, Variety and Efficiency," is being conducted by journalists from more than 10 national news media agencies as well as experts and officials from leading quality control departments and organizations such as the State Bureau of Technical Supervision and the China Quality Control Association.

The association, a nongovernmental group, has been advocating quality control in large and medium-sized enterprises and quality control education among the public since it was established 12 years ago.

Yuan Baohua, who heads the China Enterprise Management Association, said at the conference that the news media survey showed that quality control was becoming socialized in China and would help instill a sense of quality and responsibility among the nation.

Weak quality control from factory leaders, insufficient government and trade supervision, loopholes in the legal systems, serious regional protectionism which has protected the production of low-quality goods and a weak sense of self-protection among consumers were the reasons behind the flooding in of substandard goods and why they had not been kept away effectively from the market, according to Yuan.

As the drive to expose quality problems gains momentum, dozens of factories found to be making substandard goods have been penalized, with some being ordered to stop production and some factory managers being removed from their posts.

China loses at least 10 million yuan (\$1.85 million) every year because of poorly-made products, which have seriously hurt the economy and consumers' trust.

On March 15, which is International Consumer Rights Day, CCTV [China Central Television] will host a televised special meeting which will set up 17 hotlines to answer consumer questions and complaints, through which new substandard commodities are likely to be exposed on the spot.

CCTV, which has been showing results of "China's Long March to Quality Campaign" in its evening news every night since last month, said it had received thousands of telephone calls from viewers complaining about poor quality goods.

Quality Supervision Network Taking Shape

*OW0803151392 Beijing XINHUA in English
1433 GMT 8 Mar 92*

[Text] Beijing, March 8 (XINHUA)—The Chinese Quality Control Association has set up 61 quality supervision stations in major cities in the country to collect information on the quality of a wide variety of products.

According to reports from the ninth annual meeting of the association held in Beijing today, the association has traced and appraised a total of 569,550 items of various products. During the process, the association received 86,267 complaints from customers.

In 1990, the association set up additional quality information networks on five varieties of durable consumer goods. At the same time, it established regular ties with 80 producers to provide them with market information on their products. To date, the association has set up 50 quality information stations and 35 users' committees in different localities and departments throughout the country.

Song Jiwen, chairman of the association, said that quality information stations and users' committees at different levels will give more attention to supervising and appraising the quality of the following products: coal, iron and steel, electricity generation equipment, automobiles and component parts, durable consumer goods, and health-related products.

State officials said that the country will adopt strict measures to punish producers who turn out inferior products.

At the meeting, some 68 enterprises in the country were praised as outstanding in quality and efficiency.

'Pilot City' in Breaking 'Iron Rice Bowl' Noted

OW0703034792 Beijing XINHUA in English
0326 GMT 7 Mar 92

["Unqualified Government Officials Relieved of Posts"—XINHUA headline]

[Text] Shenyang, March 7 (XINHUA)—Sun Zhongshi, 28, could not believe that he, a governmental official, was being fired for such "trivial" offences as getting drunk and creating disturbances or for not arriving at work at the required time.

However, on December 16, 1991, Sun was in fact fired by the City Taxation Bureau of Shenyang, capital of northeast China's Liaoning Province, just as were many ordinary workers in the bureau's effort to break the "iron rice bowl."

Sun and three other colleagues became China's first batch of government officials to be sacked under the new program.

The Shenyang Taxation Bureau, which employs a staff of over 4,500, is one of the city's major governmental organizations. In the past, the bureau, like all other governmental organizations, was not authorized to fire unqualified staffers, as long as they did not violate Chinese law.

However, Jiang Xianzhi, the director of the bureau, took the bold step of reforming the system of "lifetime tenure" for management cadre within his bureau.

"Firing staffers who are not fit to work in government units, and to discharge them from public employment is an important measure for ensuring that government staffers will work hard and improve their efficiency," said Jiang.

In 1986, in addition to being a pilot city for breaking the "iron rice bowl" system, Shenyang also became the first city in China to institute the country's bankruptcy laws governing state-owned enterprises.

Similar personnel reforms have been carried out in other city departments, including public security and the judiciary, as well as industry, commercial and administrative departments.

A recent regulation issued by the Shenyang city government stipulates that government employees can be fired if they are found to have broken the law while conducting public affairs; abuse their privileges of office to pursue personal gain; conduct themselves in an improper manner and refuse to correct their behavior despite repeated admonitions; fail annual examinations for two years in succession; or miss work without good reason for 30 days within any given year.

Yu Yaozhou, the director of the Shenyang Personnel Administration Bureau, who is also in charge of the city's personnel reform program, told XINHUA that with the approval of bureaus directly under the city government, unqualified governmental officials at the county level or lower can be fired.

Employees who are fired will receive a proportional amount of their original salaries from the city social life insurance company beginning when they receive notice of dismissal.

Observers say that the regulations will undoubtedly have a positive impact on the on-going reform and will help to improve enterprise management of state-owned enterprises across the country.

Improvements in enterprise administration will center on eliminating the "iron (ensured) rice bowl," "iron (ensured) wages" and "iron (ensured) positions," which are all the major problems that have long hindered the growth of enterprises.

Over the past three years, Shenyang has adopted the practice of employing government staff members from the public sector, in order to strengthen departments with personnel who have attained higher level of education and are more qualified for the positions.

However, the "iron rice bowl" and "iron positions" systems long practiced by government departments have made it all but impossible to fire unqualified staffers, and thus reduced work efficiency to a certain degree.

The Tiexi Branch of Shenyang Taxation Bureau recently conducted an examination of 511 tax officers, which resulted in nine section and deputy chiefs being removed from their positions because of low scores. Three of the

nine were demoted to positions as ordinary workers, while six lost bonuses, but were placed on probation at the same posts for a period of six months.

Zhang Ren, 57, and four other officials having been removed from their leading posts in the Shenyang Taxation Bureau were assigned jobs as manual laborers in the packaging department of a nearby factory.

"Losing the bonuses and the subsidies, and the hard work at the factory doesn't matter that much, but I feel disgraced for having lost my former executive status and working credentials," said Zhang.

Zhang said that during this one year period as a manual laborer he will act in strict accordance with factory regulations, work hard to produce, and make every effort to avoid using power to pursue petty advantages. The middle-aged man said he would strive to regain employment with the taxation bureau.

Local officials report that the city government has decided to expand the personnel reform to more government departments after gaining experience from the pilot program in the city taxation bureau. The officials said the reform program will finally put an end to the "lifetime tenure" long enjoyed by government officials.

'Roundup' Views Revitalization of Private Economy

*OW1003093792 Beijing XINHUA in English
0708 GMT 10 Mar 92*

["Roundup: China's Private Economy Revitalized"—XINHUA headline]

[Text] Beijing, March 10 (XINHUA)—The private economy of China, which had been shrinking due to sluggish markets, is once more showing vigorous development.

The latest statistics show that self-employed people and those employed by private enterprises exceeded 24 million by the end of 1991. The figure was about the same as that of 1988, a year with the most rapid development of private economy.

Although the people engaged in private business account for merely two percent of the 1.15 billion population, the taxes they pay to the state make up almost eight percent of the country's total. The sales volume of this sector has even topped 16 percent.

In 1978 the country had fewer than 140,000 people working in this sector.

Economic reforms and the policy of opening to the outside world adopted in 1978 injected new vigor into the private economy. In the following 12 years, the number of self-employed people jumped by more than 100 times, and the number of enterprises employing more than seven workers now nears 100,000.

The thriving private economy is also a major sign of the country's flourishing markets. An official from the State Administration of Industry and Commerce said that "private business has in many aspects made up for the insufficient services of the state and collective economy, and alleviated people's difficulties in dining, tailoring clothes and repairing household gadgets."

"In the meantime, it provides more employment," the official said.

Statistics also show that over the past ten years the private businesses absorbed two million surplus laborers in the rural areas annually.

Between 1978 and 1986 state-owned enterprises employed 18.82 million people. Coincidentally, the number of self-employed people also increased to 18.82 million during the period.

Comparatively, state-owned enterprises received a hefty investment of more than 130 billion yuan in fixed assets during the past decade, but the state did not put anything into the private sector.

The official explained that the government mainly offers preferential policies and production space to encourage private businesses.

Since the 1980s the taxes the government has collected from private businesses gradually increased. During the 1986-1990 period, the total taxes collected from the private economy reached 49.7 billion yuan. From 1988 to 1990, the private enterprises of the country handed over more than 80 million yuan in income tax.

The rapidly developing private economy has also showed some signs of imbalance. The number of private businesses in the catering and service trades in the rural areas has more than doubled the number of those in the urban regions. And the private enterprises in the building, processing industry and transportation industries are mainly concentrated along the southeast coast.

Problems still exist in the management of this economic sector, the official said. Some pedlars and privately run companies cheat customers by selling short-weight or inferior products.

The official said the government is taking measures to enhance the control of the private businesses. "But such measures will not be used to limit their development, nor will they be used to return to the kind of socialist reform of the 1950s," he said, adding that it has been proved that the private enterprises are now an indispensable part of the national economy.

Retrenchment Program Realizes 'Main Purposes'

*OW1003091992 Beijing XINHUA in English
0832 GMT 10 Mar 92*

[Text] Beijing, March 10 (XINHUA)—Data released by China's State Statistics Bureau show that the average

annual growth rate of the country's gross national product in the 1985-1988 period was 10.7 percent, and that of the industrial output value was 17.8 percent.

But the figures in the 1989-1991 period dropped to six percent and 10 percent, respectively.

Curbing an overheated economy and bringing it back to normal growth was one of the main goals of China's retrenchment program, starting in September 1988.

Many experts now believe that the three-year program has basically accomplished its main purposes.

They cite the following facts as more support for their viewpoint:

- The contradiction between supply and demand has been alleviated and inflation brought under control. From 1985 to 1988 the average annual imbalance rate of the demand surpassing the supply was 11.8 percent, but the figure in 1990 and 1991 dropped to 7.6 percent, and the rate of price increases dropped to 2.9 percent last year;
- Basic industries have been strengthened. The growth rate of industry and agriculture between 1989 and 1990 was in the ratio of 1.55 to one, compared with 4.34 to one in 1985-1988 period. And the ratio between the growth rate of industry and that of energy became 1.95 to one from 3.36 to one;
- Market supplies have increased markedly and the people's living standards further improved. For the past three years, the entire volume of retail sales rose by 8.9 percent, 2.5 percent and 13.2 percent annually. Last year, the average per capita income of urban residents that could be used as living expenses was actually up by 7.7 percent, and that of peasants rose by two percent. By the end of 1991, the value of savings deposits totaled 911 billion yuan, an increase of 29.5 percent over the figure at the end of 1990;
- More measures for macro economic management have been adopted. During the retrenchment period, economic levers such as price, interest rate and taxation and necessary laws and regulations replaced administrative decrees as management measures for the macro economy, providing valuable experiences for the work of integrating a planned economy with the market forces;
- Reform has been accelerated. In the three years China made reforms on a trial basis in financing, taxation, housing and medical service, and relatively big changes have been made in the prices of energy, raw and semi-finished materials and transport, especially in the selling prices of grain and edible oil for urban residents, which had remained unchanged for 25 years. In addition, big progress was also made in the reform of foreign trade system.

Experts have pointed out that some problems in China's economy, such as low efficiency and financial difficulties, cannot be solved by the retrenchment program. These problems, they say, can only be solved step by step through further reforms and development.

Chen Muhua Congratulates Women Entrepreneurs

OW0703132992 Beijing XINHUA in English
1317 GMT 7 Mar 92

[Text] Beijing, March 7 (XINHUA)—Just before International Working Women's Day yesterday, 48 outstanding women entrepreneurs chosen from all over the country were awarded the title "March 8 Red Banner Winners" by the All-China Women's Federation in Beijing today.

These outstanding women entrepreneurs come from various fields. They have all made their enterprises profitable by adjusting the mix of products, developing more new products and exporting more.

Hung Lin is the director of the Beijing No. 3 Semiconductor Apparatus Plant, she led the workers and technicians in technical upgrading and made the factory more profitable by improving the quality of their products.

Among the "March 8 Red Banner Winners" there are also a number of entrepreneurs who had been workers for a long time; it was the implementation of the economic reform policy that gave them the chance to become directors of factories or managers of companies.

Chen Muhua, vice chairwoman of the Standing Committee of the National People's Congress and chairwoman of the All-China Women's Federation, attended the meeting and congratulated the outstanding women entrepreneurs.

Zou Jiahua Speaks at Forum on River Diversion

OW0903141092 Beijing XINHUA Domestic Service
in Chinese 1031 GMT 9 Mar 92

[Text] Beijing, 9 Mar (XINHUA)—Speaking at a recent State Planning Commission forum on projects to divert water from the south to the north, State Council Vice Premier Zou Jiahua said emphatically: As far as overall national economic development is concerned, water conservancy is not only the lifeblood of agriculture but also the lifeline of economic development and of mankind's survival. Failure to solve related problems will impede economic and social development.

He said: Our past emphasis on infrastructure, agriculture, energy, and communications was absolutely correct. Our practical experiences show that water conservancy is a basic industry and an important aspect of infrastructure. This is fully reflected in the 10-Year Program and the "Eighth Five-Year Plan."

Zou Jiahua stated: One type of water-related problem is caused by excessive water; another is caused by water shortages. The former results in flooding; the latter leads to drought. Either problem will affect national economic development and the people's livelihood. We face the task of solving problems caused by excessive and scarce water alike. We should continue to harness seven major rivers and five principal lakes during the "Eighth Five-Year Plan." The State Council has concentrated on harnessing the Huai He and Taihu since last year's floods in the Chang Jiang and Huai He. This forum will focus on studying ways to ease water shortages in northern China. He said: The diversion of water from the south to the north is a strategic measure for relieving drought and water shortages in northern China. We should study ways to gradually relieve water shortages in the northeast and northwest.

Zou Jiahua said: Water conservancy projects should be launched in stages according to long-range plans. We should implement the principle of stressing both exploitation and conservation in the development and utilization of water resources. Besides developing and utilizing water resources on the surface, below the ground, and in the seas, we should conserve water for agricultural, industrial, and daily consumption. Moreover, we should pay adequate attention to the treatment of waste water and the protection of water resources. He expressed the hope that all localities will work together to harness rivers, develop good habits in using water, take overall interests into account, and make joint efforts to build water conservation projects.

Daily Views 'Initial Success' in Rural Reforms

OW0903083092 Beijing XINHUA in English
0800 GMT 9 Mar 92

[Text] Beijing, March 9 (XINHUA)—Reforms on the rural economic structure have shown initial success in 21 experimental zones across the country, the "PEOPLE'S DAILY" [RENMIN RIBAO] reported today.

These zones have been set up in the rural areas of 16 provinces, autonomous regions, and municipalities with the approval of the State Council since 1987. They are testing different types of new economic activities.

Currently, reformers in the rural areas face the task of developing a scaled commodity economy based on the previous success of household responsibility system, which links output with labor compensation.

However, new reforms usually involve more complicated aspects and reformers must prepare for risks.

Xinxiang City of Henan and Yulin City of Guangxi have tried new means for streamlining the grain purchasing system, with the aim of reducing government subsidies, cutting grain waste and stimulating grain output. The newspaper said these two places have made encouraging progress in this aspect.

More areas in Guizhou, Shandong, Beijing, Jiangsu and Guangdong have carried out reforms in the farmland administration. New methods of transferring land use rights, managing and farming by scale have been effective.

Heilongjiang, Hebei and Shaanxi Provinces have organized professional co-operative groups and set up new systems linking up the production, supply and marketing of farm products. These groups and systems offer necessary services for local farmers and reduce their risks on the market.

Some areas in Anhui, Zhejiang and Shandong Provinces have tried to improve the management of rural enterprises.

Guanghan City of Sichuan Province has established special funds, rural financial markets and financial institutions to promote the financial system in the countryside.

In addition, the paper reported, industries such as forestry, animal husbandry, and fishery have also made progress in reforming their economic structure.

Agriculture Minister on Enlivening Circulation

HK1003090492 Beijing NONGMIN RIBAO in Chinese
29 Jan 92 p 1

[By Tang Yuanjie (0781 0955 4814): "Agriculture Minister Liu Zhongyi Says Implementation Is Key to Unimpeded Circulation"]

[Text] During an interview with this reporter in his office on the morning of 28 January, Agriculture Minister Liu Zhongyi said that enlivening the circulation of agricultural products was an important component of rural reform, adding that the Central Committee and the State Council had formulated a series of policies and measures for this; the key now was how to implement them.

Regarding a 27 January NONGMIN RIBAO front-page report on circulation problems, Minister Liu Zhongyi said: NONGMIN RIBAO sent reporters to conduct a deep and meticulous survey on problems in economic life; they analyzed and published a report on these problems. This report is good help in solving these problems. Because they know well about the real situation, they have a definite purpose in solving problems. In this sense, investigation and possessing firsthand information are as good as solving half the problem.

On the relations between circulation and production, Minister Liu Zhongyi said: Production, circulation, distribution, and consumption form an economic cycle. Production plays a leading role and, in return, the other links effect production. Now there are two prominent problems affecting agricultural development. One is natural disasters and the other is unsmooth circulation of agricultural products. If these problems are not solved,

they will restrict agriculture's further development. Therefore, enlivening agricultural products circulation merits our attention.

In conclusion, Minister Liu Zhongyi told this reporter: Finding a solution to the agricultural products circulation problem does not involve the peasants' interests alone. More importantly, this is conducive to stabilizing and developing agriculture and to ensuring and promoting the sustained and steady development of the entire national economy. Agricultural departments alone cannot solve the agricultural products circulation problem. They should rely on governments at all levels and other relevant departments. In some localities, "checkpoints" can be found everywhere, and the practice of collecting charges and imposing fines at will is serious. This is not an inherent problem of the economic operational mechanism but a kind of malpractice with which the peasants are most disgusted. If this malpractice is allowed to spread, it will affect production and hamper the deepening of economic reform. Therefore, we should handle it seriously, strengthen the legal system, improve rules and regulations, and strengthen the public servants' sense of organization and discipline. As long as localities and departments in charge make common, incessant efforts, this problem can certainly be solved.

Peasants' Role in Commodity Circulation Discussed

OW0903105392 Beijing XINHUA Domestic Service
in Chinese 2143 GMT 8 Mar 92

["Commentary" by XINHUA reporter Su Huizhi (5685 2585 1807): "Peasants' Participation in Circulation Stimulates Commodity Economy Development"]

[Text] Beijing, 9 Mar (XINHUA)—Reform has turned a growing number of peasants in our country into "forerunners" in commodity circulation, as the latter shift from simple production to joint production and circulation and open up markets independently, instead of passively waiting for state procurements.

Allowing peasants to engage in industry and commerce has proved to be a successful experience in rural reform. This policy has given powerful impetus to the development of a commodity economy in our countryside.

Currently, there are 60,784 country markets in our countryside. They account for 81.3 percent of the total number of country markets in urban and rural areas. Their business volume amounted to 154.3 billion yuan last year. Four of them realized more than 1 billion yuan in annual business volume, while 162 achieved business volume exceeding 100 million yuan.

According to information provided by the State Administration of Industry and Commerce, over 80 percent of people doing business in country markets in our nation are peasants, and more than 90 percent of commodities

traded in those markets are agricultural and sideline products or manufactured goods produced by village and town enterprises.

Urban residents have grown increasingly dependent on country markets—a fact illustrated by the expression: "I can stay away from a department store for 10 days, but I cannot stay away from a country market for a single day." Vegetable wholesale markets in Shouguang County, Shandong Province, sell half of the produce supplied nationwide. With an annual supply volume of over 500 million kg, these markets have promoted the growing of vegetables in adjacent provinces and municipalities. Every day, tens of thousands of peddlers from a dozen or so provinces and municipalities sell their products at the Dazhongsi market for agricultural and commercial goods in Beijing Municipality. They have racked up 340 million yuan in annual business volume. "Hogs raised in Sichuan that sell well nationwide" and "corn grown in the northeast that has made forays across the Chang Jiang" are the products of peasants' toil.

Peasants enjoy advantages in commodity circulation. They sell agricultural and sideline products that are known for their freshness. Because there are few intermediate links on the way to market, these products are generally sold at prices lower than those charged by state-run stores. Besides, peasants adopt flexible business practices, providing home deliveries or conducting wholesale business as required. Instead of relying on "iron rice bowls," they are totally subject to regulation by the law of market. Hence, many people say that peasants engaged in commodity circulation have "legs that are capable of making long and swift strides."

By engaging in commodity circulation, peasants have enriched urban and rural markets, made the people's lives easier, and spurred the development of production. They have also promoted the growth of processing and service industries. Hundreds of thousands of people engage in businesses catering to the Hehuachi market in Chengdu—the largest country market in the southwestern part of our country. More important, commodity circulation has enhanced commodity economy concepts among peasants, helping them overcome their passive reliance on the government for solutions to all of their problems.

Currently, small-scale circulation still impedes the flow of agricultural and sideline products in our country, as "thousands of households serve as individual sellers of the goods they produce." Besides, lack of the necessary operational scale and organizations have caused relatively unstable trends in market development. In addition, provinces and counties tend to erect barriers to look after their own interests when market supplies dwindle. These regional blockades are unfavorable to the smooth flow of commodities. Many problems urgently need to be solved in organizing, supporting, and guiding peasants to put commodities in circulation as a way of further deepening reform of commodity circulation in urban and rural areas.

East Region

Jiangsu Congress Examines Government Report

OW0903113292 Nanjing Jiangsu People's Radio
Network in Mandarin 1015 GMT 8 Mar 92

[From the "News" program]

[Text] Some of the deputies attending the fifth session of the seventh provincial people's congress today closely examined the government's plan, contained in the government work report presented by Governor Chen Huanyou, to vitalize the province through science and technology.

Vice Governor Wu Xijun and responsible cadres of relevant provincial departments were present to hear the views while (Xu Xingan), deputy secretary general of the congress, presided over the examination session.

Deputies maintained that the part of the report concerning strengthening scientific and technological education was both practical and crucial. In particular, the strategies designed to make the province prosperous, as contained in the 12-point work plan for 1992, were timely and significant. With their well-defined objectives and concrete actions, these strategies should serve as general guiding principles.

Deputies from the various first production lines, speaking after an in-depth study of the plan, called for a sense of urgency and mission in promoting science and technology. How these strategies will be best organized and the guarantee of their implementation became hot topics in the course of examination. Deputies from Wuxi, Changzhou, and Huaiying favored the strengthening of scientific and technological awareness for cadres at all levels and the whole society and the firm establishment of a concept that integrates science and technology with the economy. Deputies from Nantong and Suzhou proposed the organization of various tasks with the overall objective of making the province prosperous through science and technology as its center; the identification of priorities; the concentration of manpower, funds, and materials for effective input; and the general support from all concerned. Deputies from Lianyungang and Yancheng suggested that scientific and technological research organizations and personnel at various levels should be organized and coordinated to enhance strength. It is also necessary to strengthen the management philosophy of science and technology personnel, vigorously develop scientific and technological subsistence, and translate scientific and technological achievements into a productive force more quickly and directly. Other deputies, including those from Nanjing, Xuzhou, and Yangzhou, also put forward numerous proposals on such topics as scientific and technological legislation, drawing of advanced Western experiences, popularization of scientific and technological education among the people, and the attraction of qualified personnel to serve back home.

Vice Governor Wu Xijun said: The zealous and active discussions demonstrated the deputies' concern over the efforts to make the province prosperous through science and technology. We in the government will not only thoroughly listen to and support the sincere views and proposals put forward by the deputies by revising and perfecting the plan accordingly, but also will ensure its implementation by the relevant provincial departments. Meanwhile, the government will create certain conditions for the formulation of a mechanism covering four aspects: coordination of organizations and leaders, integration of the economy with science and technology, scientific and technological advancement, and the arousal of enthusiasm among scientists and technologists. The government will also accelerate scientific and technological legislation, putting scientific and technological advancement onto a track of the legal system.

Favors Accelerated Reform

OW1003001192 Nanjing Jiangsu People's Radio
Network in Mandarin 1015 GMT 8 Mar 92

[From the "News" program]

[Text] A portion of deputies attending the fifth session of the seventh provincial people's congress held a special session this morning to exclusively examine questions related to improving the large- and medium-sized enterprises, as contained in the government work report presented by Governor Chen Huanyou.

Vice Governor Dai Shunzhi and responsible cadres of relevant provincial departments attended the meeting, which was presided over by (Liang Baohua), the congress' deputy secretary general.

During the course of examinations, deputies took the floor one after another in a lively atmosphere, fully demonstrating the deputies' strong wishes and pressing desires to see accelerated and widened reform and opening up. They maintained that expositions given by Governor Chen on improving the large- and medium-sized enterprises have projected the spirit to expand the scope of reform. The practical policies and measures outlined in the report will be conducive to both the transformation of the enterprises' operating mechanism and the strengthening of their internal vitality.

During the special examination session, the general consensus on improving large- and medium-sized enterprises have been the deepening of enterprises' internal reform and the improvement of their external environments. (Ren Chuanjun), a deputy from Yangzhou, said: The improvement of the performance of large- and medium-sized enterprises involve the in-depth study of their problems. In carrying out internal reforms, enterprises should take market factors as central points, profits as their goals, and staff and workers as their mainstays, whose enthusiasm, initiative, and creativity need further boosts. The enterprises' external environments mainly lie in relations between the government

and enterprises. The government should make enterprises face the market, reduce its interference, and improve its macroeconomic regulation and control—an effort to really turn enterprises into economic entities characterized by independent business operations, liability for profits and losses, self-development, and self-restraint. Deputies from Xuzhou, Nantong, Lianyungang, and Yangzhou contended that the government should not only minimize interference but also provide more services and protections.

Touching on breaking the "three iron-clad assurances" in enterprises, deputies maintained that since it is a major trend initiated by reform and opening up, various localities, after taking into consideration of actual local conditions, should follow suit as soon as possible. The breaking of the "three iron-clad assurances" should start with cadres in enterprises by first removing their "iron-clad armchairs" to facilitate internal reforms. (Yao Guorui) a deputy from Nanjing, forwarded two proposals: 1) to work out plans to help large- and medium-sized enterprises beset with difficulties to change; and 2) to explore more overseas opportunities for Jiangsu's enterprises, which possess the necessary capabilities and conditions for international competition.

In closing the special examination session, Vice Governor Dai Shunzhi said: Views expressed and proposals made by deputies were well-founded, reflecting their practical work experiences. He emphasized: To improve the performance of large- and medium-sized enterprises, the government, other than concentrating on planning, service, coordination, and supervision, will speed up the improvement of a situation where a change in the government's role fails to keep pace with the transformation of enterprises' mechanisms.

Jiangsu CPPCC Session Discusses Work Report

*OW0803062192 Nanjing Jiangsu People's Radio
Network in Mandarin 1015 GMT 7 Mar 92*

[From the "News" program]

[Text] All the members attending the Fifth Session of the Sixth Jiangsu Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] held group discussions on the government work report delivered by Governor Chen Huanyou. They maintained that Governor Chen's report summed up the work done in the past year on the basis of facts, dwelt on successful achievements as well as problems without exaggeration, touched on our shortcomings without intending to shield them, and, thus, fully showed the realistic work style of the provincial government. What is most gratifying, they said, is that one could see from the report the provincial government's determination to pay close attention to the central task of economic development and resolutely promote the campaign to carry out reform and the open policy.

After reviewing economic construction and the subsequent social changes taking place in our province since

the Third Plenary Session of the 11th CPC Central Committee, the members of the CPC group, the No. 1 group of specially invited guests, and the group from the China Democratic League said: The people in our province have explored a number of valuable experiences in the course of implementing reform and the open policy. They are, first, unswervingly making economic construction our central task; second, giving top priority to implementing reform and the open policy; third, persisting in following the road of building socialism with Chinese characteristics; and fourth, resolutely pursuing the ideological line of seeking truth from facts.

Members showed great concern for agricultural development. The members from the No. 2 group of specially invited guests, the group from the China Association for Promoting Democracy, and the Jiusan Society group maintained: The government work report gave priority to improving agriculture and strengthening rural work and adopted good guiding principles, policies, and measures. The crux of the matter now lies in making vigorous efforts to see to their implementation. We must see to it that these policies and measures are carried out, one by one, at relevant areas and departments.

A number of members toured various fronts to inspect their activities before the meeting. During group discussions, citing full and accurate facts, they explained the necessity for us to further deepen reform in our endeavors to invigorate large- and medium-sized enterprises.

Jiang Chunyun Attends CPPCC Session Opening

*SK0803031992 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 5 Mar 92*

[Excerpts] The Dongjiao Hotel auditorium in Jinan was decorated with flowers and colored flags and a festive atmosphere prevailed on the morning of 5 March. The Fifth Session of the Sixth Shandong Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] ceremoniously opened there. More than 600 CPPCC committee members from various localities across the province, all trades and professions, and various democratic parties, attended this grand session with a high sense of political responsibility and historical mission, bringing along with them good plans for regenerating China, building the four modernizations, and making the people rich and Shandong prosperous.

This sessions main tasks are to discuss the work report of the Standing Committee of the Sixth Shandong Provincial CPPCC Committee and the work report of the Motions Committee; attend as observers the fifth session of the seventh provincial people's congress; listen to and discuss the provincial government work report and other relevant reports; discuss the national economic and social development plan of Shandong Province; and elect additional vice chairmen of the sixth provincial CPPCC Committee.

Li Zichao, chairman of the provincial CPPCC Committee; Lu Maozeng, Zhou Zhenxing, Xu Wenyuan, Kong Lingren, Ding Fangming, Zheng Weimin, Jin Baozhen, Zheng Shouyi, Wu Fuheng, Wu Minggang, Su Yingheng, and Miao Yongming attended the session. Jiang Chunyun, secretary of the Shandong Provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor; Gao Changli, deputy secretary of the provincial party committee; Li Chunting, deputy secretary of the provincial party committee and vice governor; Liang Buting, chairman of the provincial Advisory commission; Li Zhen, chairman of the provincial People's Congress Standing Committee; Tan Fude, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission; Yu Peigao, president of the provincial Higher People's Court; Zang Kun, chief procurator of the provincial People's Procuratorate were invited to attend the opening ceremony to extend warm congratulations. Veteran comrades and former chairman and vice chairmen of the provincial CPPCC Committee, including Bai Rubing, Zhao Lin, Gao Kejing, Wang Zhongyin, Zhou Xingfu, Li Sijing, Tian Haishan, Bai Yanbo, Wang Liang, and Liu Yong; and members of the national CPPCC Committee staying in Jinan were also invited to the opening session. Yan Qingqing, acting chairman of the provincial committee of the Revolutionary Committee of the Chinese Kuomintang; and Ai Luchuan, chairman of the provincial Federation of Industry and Commerce, also attended the session.

Li Zichao, chairman of the provincial CPPCC Committee, declared the session open at 0900. [passage omitted]

Entrusted by the Standing Committee of the provincial CPPCC Committee, Zhou Zhenxing, vice chairman of the provincial CPPCC Committee, gave a work report in which he reviewed the work achievements since last year and put forward this year's main tasks of the provincial CPPCC committee. He said: This year is an important year for implementing the 10-Year Program and the Eighth Five-Year Plan, and realizing the objective of becoming comparatively well-off. To fulfill this year's various tasks and to realize the fighting objective of the 1990's, we must explore new reform ideas and measures, further emancipate thinking, seek truth from facts, accelerate the pace of reform, and open wider to the outside world in various aspects. [passage omitted]

Shandong People's Congress Session Opens 7 Mar

SK0803072692 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 7 Mar 92

[Excerpts] The Fifth Session of the Seventh Shandong Provincial People's Congress was ceremoniously opened in Jinan City on 7 March. [passage omitted]

At 0830, deputies of the provincial People's Congress from various localities throughout the province, who are

shouldering heavy duties and full of confidence, entered the hall to attend the opening ceremony of the provincial People's Congress session.

Seated in the front row of the session's rostrum were executive members and executive chairman of the session's presidium, including Jiang Chunyun, Li Zhen, Lu Hong, Xiao Han, Wang Shufang, Xu Jianchun, Lin Ping, Zeng Chengkui, Yan Qingqing, Li Ye, and Ma Xutao.

At 0900, Li Zhen, executive chairman of the session's presidium, announced the opening of the provincial People's Congress session. [passage omitted]

During the session, Governor Zhao Zhihua delivered a government work report that is divided into the following six parts: 1) The overall development scored by the province in the economy and social undertakings in 1991 has created a favorable start for fulfilling the 10-year program and the Eighth Five-Year Plan. 2) The guiding ideology and major tasks for the government work in 1992. 3) Efforts should be made to readjust the structure and increase economic results to actively develop productive forces. 4) Efforts should be made to emancipate minds and to grasp the opportunity to accelerate the pace in conducting reform and opening to the outside world. 5) Efforts should be made to bring the political strong points into full play so as to enhance the construction of socialist spiritual civilization. 6) Efforts should be made to firmly remember the purpose of serving the people and to actually do a good job in carrying out the self-improvement of governments. [passage omitted]

Attending the opening ceremony of the session were members attending the fifth session of the Sixth Provincial Chinese People's Political Consultative Conference [CPPCC] Committee and principal responsible comrades from the provincial level departments.

Congress Session Ends

SK0703102492 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 4 Mar 92

[Text] The 27th Standing Committee meeting of the seventh provincial people's congress ended at the south meeting room of the Zhenzhuquan People's Hall on 4 March. Lu Hong, vice chairman of the provincial People's Congress Standing Committee, presided over the meeting.

The meeting decided to appoint (Yuan Wenguang) deputy secretary general of the Shandong Provincial People's Congress Standing Committee; (Zhao Chunlan), director of the Shandong Provincial Supervision Department; and (Chen Peiying), director of the Shandong Industry and Commercial Administrative Bureau; and decided to dismiss (Wang Keren) from his post as director of the Shandong Provincial Industrial and Commercial Administrative Bureau; adopted the decision of the seventh Shandong Provincial People's Congress

Standing Committee to accept Yang Chuantang's resignation from his post as member of the seventh provincial People's Congress Standing Committee; adopted a report of the Credentials Committee of the seventh provincial People's Congress Standing Committee on the examination of qualifications of the deputies selected in by-elections; and decided to elect Guo Songnian of Qingdao City deputy of the seventh provincial people's congress.

The meeting also discussed and voted to adopt the suggestion on readjusting the draft namelist of the Presidium of the fifth session of the seventh provincial people's congress.

At the end of the meeting, Li Zhen, chairman of the provincial People's Congress Standing Committee, gave a speech on deeply studying and implementing the important speeches of the central leading comrades and on strengthening legal supervision. He said: During the crucial moment of our country's socialist modernization construction, the central leading comrades have further clearly defined an orientation of advance for us to unswervingly implement the basic line of one central task and two basic points and to build socialism with Chinese characteristics.

Li Zhen said: At the recent 24th Standing Committee meeting of the Seventh National People's Congress [NPC], Chairman Wan Li emphatically touched on the issue of strengthening legal supervision and investigation. He stressed that in building the four modernizations, we must pay attention to two aspects. First, we must grasp construction, reforms, and opening up with one hand while grasping the legal system with the other hand. It is necessary to simultaneously stress the prescribed laws and the implementation of laws. This year, we should particularly grasp well the supervision and investigation of the situation in implementing laws and regulations in five aspects: 1) We must supervise and investigate the implementation of the Enterprise Law and the resolution of the provincial People's Congress Standing Committee on implementing the enterprise law; 2) the implementation of the decision of the NPC Standing Committee on comprehensively improving social order and the Shandong Provincial stipulations on comprehensively improving social order; 3) the implementation of the State Council's regulations on managing the levies imposed on peasants and on labor service, and the Shandong Provincial regulations on managing peasants' burden; 4) the implementation of the mineral resources law; and 5) the implementation of the forest law.

Latest Development of Shanghai's Pudong Zone

HK1003072292 Hong Kong WEN WEI PO in Chinese
8 Mar 92 p 1

["Special Article" by Hsin Sheng (2450 4563) in Shanghai: "Starting Point for Pudong Could Be Set Higher"]

[Excerpts] It is a Bad and Good Thing

[passage omitted] Relevant authorities have disclosed that during Deng Xiaoping's recent inspection of the Pudong new development area, he said: The fact that Pudong's development came late is a bad thing. At that time, the major considerations for developing the four special economic zones [SEZ] were their locations, overseas links, and the like. But the personnel factor was not considered. The people of Shanghai are clever. China's first sedan was manufactured by Shanghai people. It is also a good thing because Shanghai can draw on the experiences of Guangdong's Shenzhen and work for better development, a higher starting point, and a higher degree of modernization for Pudong's development. [passage omitted]

The strategic objective put forth by the Shanghai Municipal Government for Pudong's development is: Develop Pudong, invigorate Shanghai, serve the whole country, and gear oneself to the world.

The initial steps for Pudong's development worked out by the Shanghai Municipal Government are to simultaneously develop infrastructure and the three districts of Lujiazui, Jinqiao, and Waigaoqiao.

The Shanghai Municipal Government uses this slogan to attract foreign investment in Pudong: Give investors "candies," not hot pepper.

Planning is the "head" of construction and development. Shanghai Municipality has used its strongest technical force to plan for the Pudong New Development Area. It has also invited experts from Beijing, Tianjin, Guangdong, and other places to participate in planning and invited large numbers of authorities at home and abroad for planning assessment and analysis.

Planning Must be Scientific

"Whether or not planning is reasonable and scientific has a great influence on Pudong's future development. A few less weaknesses or flaws means we can create a considerable amount of wealth. This is what we have learned from other SEZ's and from their development," said Xia Keqiang, director of the Shanghai Municipal Office for the Development of Pudong. [passage omitted]

The financial and trade district of Lujiazui, which is separated by the Huangpu Jiang and is across from Shanghai proper, is located in an important place and is suitable for the development of tertiary industry. At present, 16 financial, business, and foreign trade enterprises have signed investment agreements, of which six are having their offices foundation stones laid or piles driven. It will become the "Manhattan of the Orient."

The Jinqiao export and processing district, situated at the center of the Pudong New Development Area, is under construction. Water, power, gas, and communication facilities in that tract of land are being developed

and all of the land there has been purchased by Chinese and foreign businesses. Over 20 technology-intensive and high value-added foreign projects have "settled" there. The first exclusively Japanese-invested enterprise has been set up and put into operation. This district will become the "Silicon Valley" of China.

The Waigaoqiao District is Operating

The Waigaoqiao bonded district, near the East Sea, is already operating. The first phase of a separating wall measuring four km has been constructed, examined, and accepted by the authorities. Infrastructural projects within the wall have been completed. A number of foreign-funded enterprises are allowed to engage in entrepot trade there. It will become the most open of Mainland China's "free trade areas."

An overall view of the foreign-funded projects attracted to the Pudong New Development Area enables one to see the following characteristics easily:

First, large investments. Up to now, over 50 percent of all direct foreign investment projects in Pudong have been investments of over \$5 million. These include the Shanghai Yaohan Department Store, investment in which reached over \$100 million, the Shanghai Gaoyang International Tobacco Corporation, the Shanghai Gaoguang Electronic and Electrical Appliances Company Limited, investment in which reached \$30 million, and the Financial Building, jointly constructed by China and the United States with an investment of \$80 million, and so forth.

Second, a multitude of international corporations. A number of large, internationally renowned corporations have built bridgeheads in Pudong, including Du Pont de Nemours and Johnson and Johnson of the United States, the C-Itch Company Limited of Japan, the Chia Tai Group of Thailand, and the Bank of China Group of Hong Kong.

Third, high starting points of investment for development. The C-Itch Shanghai Company Limited, China's first exclusively foreign-funded import and export trading company has been approved to set up in the Pudong new development area. The establishment of the Shanghai Yaohan Department Store Company Limited—China's first large Sino-foreign-funded department store city—was approved by the Shanghai Municipality. China's first bonded center for the means of production has been set up in the Pudong new development area.

Rely on Strength of Science, High Technology

Fourth, many high-technology projects. Pudong has different types of industries including microelectronics, chemicals, pharmaceuticals, telecommunications, aviation, precision instruments and meters, microbiology, and auto components and spare parts. [passages omitted]

Domestic Investment Encouraged

HK1003073792 Hong Kong WEN WEI PO in Chinese
9 Mar 92 p 2

[“Special Article” by Hsin Sheng (2450 4563): “Playing the ‘China Card’ in Pudong’s Development”]

[Excerpts] Not long ago, Shanghai CPC Committee Secretary Wu Bangguo and Mayor Huang Ju went to Beijing to carry out “persuasion” activities. In a short period of four to five days, they met General Secretary Jiang Zemin and Premier Li Peng, as well as Vice Premiers Zou Jiahua and Zhu Rongji. They visited a dozen or so ministries and commissions, including the Ministry of Machine Building and Electronics Industry, the Ministry of Posts and Telecommunications, the Ministry of Textile Industry, the Ministry of Communications, the Ministry of Chemical Industry, the Ministry of Commerce, and the China Petrochemical Industrial Corporation, where they briefed them on the development of Pudong and encouraged them to open companies and factories in Pudong.

When Deng Xiaoping was inspecting Pudong’s new area, he was glad to hear this and praised them by saying that they had done well in this respect.

Attracting Domestic Investment

Playing the “China card” is a characteristic of Pudong’s development. The Shanghai Municipal Government has formulated and announced a preferential policy on encouraging domestic enterprises to invest in Pudong’s new area. It will provide special treatment and make things convenient in terms of loan limits, foreign exchange retention, income tax, and approval for the use of land. It also encourages central departments and local authorities to open shops, factories, and enterprises in Pudong’s new area. [passage omitted]

A person from Shanghai’s Pudong Development Office said that the central departments take a deep interest in Pudong’s development. The Ministry of Commerce has invested over 50 million yuan in the construction of a state-level grain and cooking oil commodity exchange center in Pudong’s new area. After its completion, this exchange center will play a leading role in developing the Chinese grain market system.

Ministries and Commissions Are Supportive

Li Lanqing, minister of foreign economic relations and trade, led import and export corporation managers to Pudong for investigations. After this, he said the ministry would open enterprises in Pudong by way of various methods, including investment, joint-stock operations, and cooperation. The People’s Bank of China has invested almost 100 million yuan in the Yindu Building in Pudong’s new area and construction has already started. [passage omitted]

At present, projects in Lujiazui with investments from central departments, provinces, and cities account for 50

percent of all projects here. Pudong's new area has approved 162 domestic investment projects with a total investment of 169 million yuan.

Building Chang Jiang Corridor

Shanghai party and government officials are aware that Pudong's new area is different from other open coastal zones because it enjoys the support of the Chang Jiang river basin and plays a particularly important role in developing the economy of the Chang Jiang Delta and bringing into play the North's strong points and those of the South. As was revealed some days ago, Shanghai CPC Committee Secretary Wu Bangguo and Mayor Huang Ju invited the Jiangsu, Zhejiang, Anhui, and Jiangxi governors to secret discussions on how to display Pudong's leading role in developing the economy along the Chang Jiang and how to form mutual cooperation with the purpose of building a "Chang Jiang corridor" in the 1990's and bringing about economic take-off in the Chang Jiang Delta.

Li Zemin at Zhejiang People's Congress Forum

OW0803104192 Hangzhou Zhejiang People's Radio
Network in Mandarin 1000 GMT 6 Mar 92

[From the "Provincial News Hookup" program]

[Text] This afternoon the Fifth Session of the Seventh Provincial People's Congress sponsored a forum specially on industrial production. Li Zemin, Ge Hongsheng, Chai Songyue, Long Anding, and leaders of the relevant departments under the provincial government attended the forum to listen to the deputies' opinions. More than 30 deputies from the industrial sector of the province took part in the forum. Some members of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] were also invited. Wu Minda, executive chairman of the presidium of the session, presided over the forum. The deputies enthusiastically took the floor and aired their individual opinions freely, making numerous valuable suggestions on improving industrial production in the province.

Wang Yuewen, deputy to the Provincial People's Congress and deputy director of the Hangzhou Machine Tool Factory, said: Enterprises are currently reforming the systems of employment and remuneration. The ability of workers and staff members to cope with the reforms is much stronger than expected. To completely transform the operating mechanism of enterprises and gear them toward the market as early as possible, all of society still needs to comprehensively deepen the reform to provide enterprises with a market environment for commodities and productive factors. Housing reform and other necessary reform measures should be implemented as soon as possible.

Chen Xiaoquan, deputy to the Provincial People's Congress and vice chairman of the board of directors of the Zhejiang Tianmei Pharmaceutical Limited Corporation, said: Intercessions are currently flooding in from all

directions as enterprises take concrete measures to abolish the systems of secure post, fixed wages, and life employment. This is an obstruction to the deepening of reform which must be removed.

Yao Runshen, deputy to the Provincial People's Congress and vice chairman of the Federation of Industry and Commerce of Hangzhou, said that some enterprises in the silk industry are now facing difficulties, mainly due to the lack of a certain degree of decision-making power in enterprise operations.

Zhang Huabiao, deputy to the Provincial People's Congress and chairman of the Planning and Economic Committee of Wenzhou City, said: As Wenzhou City's state-run industrial enterprises have begun to recover last year, we hope that the provincial government will continue to support the establishment of business conglomerates and technological transformation.

Provincial CPPCC Committee member Sun Yannian said that the province should readjust its industrial structure and upgrade its products as early as possible.

The deputies also made many suggestions and aired their views on speeding up the province's opening up to the outside world.

Wang Mengzhao, deputy to the Provincial People's Congress and the head of Xianju County, said: Although leaders at all levels have attached importance to absorbing foreign capital, many relevant functional departments have yet to take adequate supportive measures to cut red tape.

Cheng Dejin, deputy to the Provincial People's Congress and the head of Yuhang County, said: In managing an externally oriented economy, it is necessary to pay attention to developing export-oriented enterprises in villages and towns, and to delegate decision-making power in export businesses to some enterprises.

Member of the provincial CPPCC Committee Wang Chengyun suggested an early implementation of policies related to areas opened to the outside world.

The deputies also made wide-ranging suggestions on strengthening industrial administration, vigorously training qualified personnel, accelerating scientific and technological advancement, developing new products, upgrading product quality, and other issues.

Present at the forum to hear the participants' opinions and suggestions were more than 30 directors of the relevant departments and bureaus, the largest attendance ever.

Addresses Education Forum

OW0803040092 Hangzhou Zhejiang People's Radio
Network in Mandarin 1100 GMT 7 Mar 92

[Excerpts] The fifth session of the seventh provincial people's congress today sponsored a forum on education

and science and technology. Thirty-one deputies representing the province's educational, scientific, and technological and some CPPCC members attended the forum. Li Zemin, Ge Hongsheng, Li Debao, and other leaders were present to hear the deputies' views. Zhu Zuxiang, executive chairman of the session, presided over the forum. Wang Qidong, permanent chairman of the session, attended the forum. [passage omitted on deputies' and CPPCC members' remarks]

Li Zemin and Li Debao attentively heard the deputies' views. Li Debao said: The deputies' views and suggestions are sound and to the point. The provincial government will earnestly study and implement these suggestions.

Li Zemin said: Over the past few years, our province has made great strides in the fields of education, science, and technology; however, many difficulties and problems are still crying out for a solution. Science and technology are indispensable for the province's economic development. We must not overlook our relative backwardness in science and technology merely because the economy has been developing quite fast. He emphasized: Science and technology must serve the needs of the economy while economic growth must rely on science and technology. We must emphasize both of them instead of stressing one while neglecting the other. We must foster in society an atmosphere of respecting science and technology and educated people. Particularly, while respecting scientific and technological personnel of the older generation, we should create fine working and living conditions for young and middle-aged scientific and technological personnel and bring their roles into full play. The development of new- and high-technology must closely dovetail with the province's industrial policy and realities. The foundation of science and technology is education. We must implement the party's policy on education in an all-around way and refrain from placing undue emphasis on the proportion of students entering higher-level schools. "Fast progress" classes in all localities are banned, and governments at all levels must see to it that the ban is enforced.

Officials in charge of the relevant departments and bureaus under the provincial government were present to hear the deputies' views. Wang Chengxu, vice chairman of the provincial CPPCC Committee, and others were also present.

Central-South Region

Cheng Kejie Addresses Regional Congress Session

HK1003075592 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 6 Mar 92

[Excerpts] [Regional government chairman] Cheng Kejie delivered a report at the Fifth Session of the Seventh Guangxi Regional People's Congress.

Cheng Kejie called in his report for further emancipating minds and speeding up reform and opening up. He stated: Revolution is aimed at liberating productive forces. Reform is also aimed at liberating productive forces. It would get us nowhere if we did not undertake reform and opening up. We must further emancipate our minds and become bolder in deepening and expediting reform and opening up. We must bravely carry out explorations and experiments and continually sum up and perfect our experiences with an eye on further developing socialist social productive forces, enhancing comprehensive national strength of a socialist country, and improving people's livelihood. [passage omitted]

Cheng Kejie noted: This year, our reform should aim to push ahead with in-depth enterprise reforms, apply reform measures to tackling glaring problems in current economic life, organically integrate reform with development, orient in-depth enterprise reform to shifting enterprise operative mechanism, especially among large and medium state-run enterprises, orient enterprise production to market demands, unswervingly enforce and carry out the Enterprise Law, conscientiously implement various policies and measures promulgated by the central and regional authorities of enhancing enterprise vitality, give greater scope to the political and core roles played by party organizations at all levels, persist in and perfect the existing enterprise director responsibility system, wholeheartedly rely on the working class, and earnestly delegate such autonomous powers as enshrined in the Enterprise Law to various enterprises. To this end, governments and departments concerned at all levels must undertake to reduce direct management of day-to-day operation of enterprises and step up macroscopic guidance over, supervision of, and services to enterprises. On the other hand, enterprises must abide by the state laws, principles, and policies, restrict behaviors, deepen internal reforms, and discard their iron bowl practice, iron wages practice, and iron post practice while further perfecting a contracted enterprise management responsibility system, reform labor employment system, personnel system, and distribution system, and establish an incentive mechanism. [passage omitted]

Cheng Kejie stated: We must carry out a variety of reform experiments in a number of selected enterprises. The prefectures, cities, and counties involved must strengthen leadership in this connection. All departments involved must coordinate with one another and make unreserved efforts to solve problems cropping up in this process. It is necessary to successfully carry out experiments aimed at reforming the existing grain purchase and marketing system. In attempting the circulation system reform, it is necessary to relax control over operation, distribution, prices, and employment policies regarding various state-run commercial enterprises and cooperative commercial enterprises. [passage omitted]

Cheng Kejie maintained: We must unswervingly expand opening up to the outside world, become bolder in absorbing and transplanting advanced operational modes and management methods from all countries in

the world, including developed capitalist countries, bring into full play regional superiorities in human resources and geological resources, attempt an omnidirectional opening up, effect opening up in both coastal and border areas, further develop foreign economic and trade relations, and promote opening up to both outside world and hinterland. To this end, we must concentrate efforts on the following aspects:

1. To successfully build open cities and open counties in coastal and border areas.
2. To promote opening up of border areas.
3. To further develop foreign trade.
4. To make full use of foreign funds.
5. To make Overseas Chinese affairs work, foreign affairs work, and tourism play a more important role in opening up to the outside world.
6. To vigorously develop lateral economic associations and establish cooperative economic relations with Guangdong, Hainan, and some other southwestern provinces and regions. [passage omitted]

Li Changchun on Replacing 'Old Iron Practices'

HK1003082592 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 9 Mar 92

[Text] During his inspection of Hebi City, Governor Li Changchun stressed: It is necessary to replace three old iron practices, namely, the iron post, the iron wages, and the iron bowl practices with three new iron practices, namely, the iron face, the iron heart, and the iron stratagem practices.

On the afternoon of 7 March, accompanied by Ma Xianzhang, secretary of the Hebi City Party Committee, Governor Li Changchun arrived at the state-run No. 794 Factory, where he inquired in great detail about the factory's production and marketing situations as well as how the factory had smashed the aforementioned three old iron practices.

After listening to factory Director Wang Keying's work report, Governor Li Changchun said: Large enterprises must orient their production to international market demands and produce more products that are readily marketable on both international and domestic markets. Large enterprises will find things easier if they do things this way. We must try in every way to carry out comprehensive development, increase labor productivity, and raise economic efficiency.

After listening to a report on how the factory had smashed the three old iron practices, Governor Li noted: It is necessary to implement some special policies, abolish basic wages, and resolutely discard all three old iron practices. The wages of staff and workers should be linked to the value they create. Those who make greater contributions are entitled to more remuneration. Those who create more value should be allowed to become rich ahead of others. This is a socialist distribution principle.

Governor Li Changchun also asked in great detail about housing and livelihood conditions concerning the factory's scientific and technological personnel and issued specific instructions to that effect on the spot.

Addresses Supervision Conference

HK1003075992 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 5 Mar 92

[Text] Provincial Governor Li Changchun delivered a speech at a provincial supervision work conference which concluded on 4 March.

Li Changchun emphatically stated in his speech: Administrative supervision work must consciously serve reform, opening up, and economic construction and must aim at investigating and handling law-violation cases and discipline-violation cases and pushing ahead with in-depth anticorruption struggle.

Li Changchun noted: Supervision work is one of the important tasks of the party and government and its implementation has a direct bearing on both the future and destiny of the party and the state. Therefore, governments and leading cadres at all levels must fully comprehend the important role of administrative supervision work in the new period, practically strengthen administrative supervision work while, at the same time, successfully carrying out economic construction, and must strive to ensure clean and honest government as well as a smooth progress of reform, opening up, and socialist economic construction.

Li Changchun asserted: Supervisory organs at all levels across the province must proceed from their own professional functions and characteristics, consciously submit to and serve economic construction, which is the center, ensure smooth implementation of all the administrative orders issued by the party Central Committee, the provincial party committee, and the provincial government, strengthen supervision and examination of all economic management departments and law enforcement departments, see to it that all these departments will enforce to the letter the state laws and regulations and correctly exercise their powers, and strive to eliminate corruption, advocate clean government, protect and support reform.

Li Changchun pointed out: At present, clean government building and anticorruption struggle are among the hot spots the masses are concerned about. This year, supervision organs at all levels must strive to promote party style building and clean government building by concentrating on straightening out, investigating, and handling a variety of professional malpractices, such as the malpractice of eating and drinking at the public's expense, the malpractice concerning cadre and personnel appointment, and major or serious cases of cadres seeking private gain by abusing their powers, and must strive for tangible results in this respect.

Guo Shuyan Urges Stepping Up Enterprise Reform*HK0903135692 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 5 Mar 92*

[Excerpts] On the afternoon of 3 March, Comrades Guo Shuyan [Hubei governor] and Xu Penghang had an informal discussion with administrative commissioners, mayors, and responsible members of large and medium enterprises.

In his speech at the meeting, Comrade Guo Shuyan pointed out: In developing the economy, it is necessary to regard raising economic efficiency as our starting point and destination, striving for marked achievements in this respect in 1992. We should further free ourselves from old ideas, seize the opportunity, and act in a bold way to keep abreast of the new times for reform and opening up.

Guo Shuyan went on: Though industrial enterprises provincewide improved economic efficiency somewhat last year, low economic efficiency remains the most outstanding problem in our economic work. Therefore, comrades in charge of every link of our economic work must strive to raise economic efficiency and make determined efforts to reverse the existing situation. The provincial government called on all localities to take three years, beginning this year, to effect a basic change in our economic efficiency and to enable our economic growth to follow a steady course upwards. First of all, we must score initial achievements in emerging from the economic slump this year. For the present, we must make great efforts to eliminate losses and increase profits. We must promote enterprise technological progress in a down-to-earth manner and stimulate economic restructuring. In 1992 and thereafter, we must promote integrated economic and technological development and encourage large and medium enterprises to update their technology, develop new and high technology industries, and develop important new products. It is essential to raise funds in every possible way; further free ourselves from old ideas to introduce the shareholding system, which constitutes a channel for obtaining financing for our projects; and use foreign funds to update existing enterprises at a greater pace.

When talking about changing the enterprises' operational mechanisms, Guo Shuyan said: Recently, Comrade Deng Xiaoping and leading comrades of the central authorities advanced many important opinions on stepping up reform and opening up. We must conscientiously study their instructions, act in light of our actual conditions, focus on economic construction, increase the content of reform, expedite reform, and carry out reform and opening up in depth in a bolder way. We must concentrate on changing the operational mechanism in enterprise reform and resolve to subject enterprises to market forces, which are the key tasks for deepening economic restructuring at present. To this end, on the one hand, we must apply the enterprise law and other relevant policies and statutes and supporting measures and improve the external conditions for enterprises and,

on the other hand, we must commit enterprises to tap their potential; carry out internal reforms in a coordinated manner; resolutely break with the malpractice of allowing everyone to eat from the same big pot and giving everyone an iron rice bowl, an iron chair, and iron pay; and build up corresponding risk [as heard], encouragement, and size-reducing mechanisms.

Guo Shuyan said: We should break with the malpractice of giving everyone an iron rice bowl, iron chair, and iron pay in a rather radical way. We should increase the experimental spots for this reform. The provincial government should take care of the work at a number of experimental spots, as should all localities. At the same time, we should drum up a reformist mood. Since breaking the malpractice concerns the immediate interest of enterprise workers and staff, it may give rise to some ideological problems and contradictions. Therefore, we must properly handle the relations between stability on the one hand and reform and development on the other. We must advance as fast as possible while maintaining stability, trying our best to avoid social disturbance. As long as we adhere to the mass line in carrying out enterprise reform, explain the problems concerned to the masses in great detail, and take specific measures, we will be able to reduce friction. [passage omitted]

Guo Shuyan also stressed: We should continue to improve enterprise management and product quality. We should raise efficiency through improving management.

Guo Shuyan earnestly hoped all cadres would make great efforts to change their ideas and work style; seize the present favorable opportunity for reform and opening up; seek truth from facts; and act in a down-to-earth manner with a view to raising economic efficiency, making earnest efforts, and working hard to fulfill 1992 industrial production and transportation targets.

Southwest Region**Guizhou Governor at Provincial CPPCC Closing***HK0903145692 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 4 Mar 92*

[Excerpt] The fifth session of the sixth provincial Chinese People's Political Consultative Conference (CPPCC), after going through all procedures, ended in [words indistinct], on Beijing Road, Guiyang City, on the afternoon of 4 March.

The meeting called on CPPCC's at all levels, CPPCC members, and people in all walks of life and of all nationalities across the province to, under the provincial party committee's leadership, more closely rally around the CPC Central Committee with Comrade Jiang Zemin at the core, hold high the banner of patriotism and socialism, further consolidate and develop the broadest possible patriotic united front, maintain Guizhou's

political situation of stability and unity, speed up the modernization drive and reform and opening up, strengthen socialist democracy and the socialist legal system, strengthen the unity of the people of all nationalities, carry out the principle of one country and two systems, and promote the peaceful reunification of the motherland to greet the 14th CPC National Congress.

Song Shugong, presiding chairman of the plenary session, chaired the closing meeting. Miao Chunting, chairman of the provincial CPPCC; Wang Fuqing, Tang Hongren, and Mao Tieqiao, vice chairmen of the provincial CPPCC; and others were seated on the rostrum. Also seated on the rostrum were Wang Chaowen, governor and deputy secretary of the provincial party committee; Long Zhiyi, deputy secretary; Su Gang, chairman of the provincial advisory committee; Liu Hanzhen, chairman of the provincial discipline inspection commission; Zhang Yuhuan, chairman of the provincial people's congress; and others. [passage omitted]

Academician Reviews Tibet's Human Rights History

OW1003030392 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 9 Mar 92

[From the "Tibet News" program]

[Text] In a recent interview with reporters, (Dongka Losang Chilei), member of the Chinese People's Political Consultative Conference National Committee and honorary president of the Tibet Autonomous Regional Academy of Social Sciences, said: Currently, a small number of Western countries have discussed the so-called Tibetan human rights issue by completely distorting the truth. Their aim to interfere in our country's sovereignty and split the motherland will absolutely never be endorsed by the people of all nationalities across the country, including the Tibetan people, the broad masses of patriots, and patriotic and law-abiding Buddhists.

(Dongka Losang Chilei) said: The human rights assurances are very extensive, including the right to subsistence, political rights, cultural and educational rights, and the right to religious belief. Let us talk about Tibet's human rights issue. Prior to Tibet's peaceful liberation, all the rights that should have belonged to the broad masses of workers were controlled by the three estate-owners—namely, officials, nobles, and monasteries. The serfs only had the right to labor and nothing else. The broad masses of workers only truly gained the right to subsistence following Tibet's peaceful liberation.

The right to subsistence is the foremost issue in the human rights issue. The main items of the right to subsistence are food, clothing, and housing. China is a large country with 1.1 billion people of more than 50 nationalities, amounting to a quarter of the world's population. By doing a good job in feeding, clothing, and housing people across China, the CPC has made an enormous contribution to mankind.

Speaking on the Tibet situation in the past, I visited some pastoral districts in rural areas. The common people's houses were old and shabby. There was no presentable furniture in the house; and they did not have mattresses or blankets. Since liberation, the vast expanse of agricultural and pastoral areas has encountered drastic changes. At present, most families in agricultural areas have built new houses with complete sets of furniture. Peasants in many localities have surplus grain to sell to the state. The pastoral areas were poorer than the agricultural areas in the past. Now, the broad ranks of herdsmen have experienced fundamental improvement in food, clothing, housing, and transport.

The people enjoy freedom of religion: It is up to you whether you believe in any or whatever religion you like. However, some people say that there is no freedom of religion or full human rights in Tibet. This is a distortion of the facts designed to create public support for the so-called independence of Tibet. Tibet has been an inalienable part of the motherland for more than 700 years since the Yuan Dynasty. Various nationalities enjoy equal rights in terms of spoken and written languages, living conditions, and politics.

Because of historical and other factors, there are different paces of economic progress among various nationalities and areas. Tibet has achieved considerable progress in economic construction in the four decades since its peaceful liberation; such facts are there for each person to see for himself, and no one can distort them.

Yunnan Secretary Discusses Party Member Training

HK0903142192 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 2 Mar 92

[Excerpts] This morning, the third "three basics" rotational training class for cadres at or above the county level sponsored by the provincial committee and the provincial committee party school's long and short courses held a class opening ceremony.

Chen Yeping, member of the Central Advisory Commission and former director of the Central Organization Department; (Zheng Guoke), former adviser of the Central Organization Department and secretary of the Yunnan Provincial Trade Union Committee during the party's underground period; Su Xing, vice president of the Central Party School; provincial party and government leaders Pu Chaozhu, Yin Jun, Li Xingwang, Qiu Chuangjiao, Ren Keli, Liang Jingquan; and persons-in-charge of relevant departments attended the ceremony.

Pu Chaozhu, provincial party secretary and concurrently president of the provincial party school, spoke at the ceremony. He stressed the importance of holding the third "three basics" rotational training class for cadres at or above the county level, saying: Using rectification methods, the study practice of linking theory with practice, and the weapons of criticism and self-criticism, we must learn basic Marxist theory, the party's basic line,

and basic party knowledge. In that way, we can achieve the purposes of improving ideology, strengthening party spirit, and shoring up solidarity. This "three basics" rotational training class, which is experimental in nature, has proved a success. It is the most effective method for education in Marxist theory and an important means with which to further strengthen party building. We must have stronger determination, our pace should be quicker, and we should persist in running the class.

He said: The purposes of getting prefectural, city, and county leaders to take the rotational training class are to make leaders at all levels adapt to the needs posed by the development of situations and enable them to complete well the great tasks of economic development, party building, and social stability amid the current complicated and firm international struggle. [passage omitted]

He said: It is inevitable that there will be various new situations and problems in economic construction, reform, and opening up. But we cannot let these new problems affect the pace of reform and opening up. Under the premise of upholding the four cardinal principles, we must further emancipate our minds, boldly experiment, continually sum up experiences, and persist in those practices which prove correct and correct those which are wrong. As long as we are not corrupt or abuse power for personal gain, then we should not demand perfection or dwell too much on certain shortcomings or mistakes in work. We must uphold the line of seeking truth from fact and base everything on the practical situation in deciding on the work's direction. We must combine well the central spirit with local practical conditions and creatively implement central principles and policies. [passage omitted]

North Region

Beijing City Implements Policy To Aid Minorities

SK1003043592 Beijing BEIJING RIBAO in Chinese
17 Jan 92 p 1

[Excerpt] The municipality has conscientiously implemented the party's policies toward nationalities, persisted in the principles of serving the central authorities and national minorities in the capital and of supporting the construction of border areas inhabited by the national minorities, and has made noticeable achievements in the past.

More than 410,000 people of 51 national minorities are distributed in various parts of the municipality and enjoy equal rights and interests. Of the deputies to the ninth municipal People's Congress, 63 deputies, or seven percent, are people encompassing 10 national minorities. Of the total members of the seventh municipal committee of the Chinese People's Political Consultative Conference, 68 members, or 10 percent, are people encompassing 12 national minorities.

The number of minority nationality cadres increased at a rapid pace. There are 32,000 minority nationality cadres in the municipality. They have made contributions to the construction of the capital at different work posts.

The municipal departments concerned worked out a series of special policies to help the areas inhabited by national minorities develop economic, cultural, and educational undertakings. In the Seventh Five-Year Plan period, the villages and townships of national minorities across the municipality enjoyed more than 4.7 million yuan of tax reduction and exemption. At the same time, the municipality invested more than 4.2 million yuan to support the development of production and successfully promoted the economic development of the villages and townships inhabited by national minorities. The total economic income of five minority nationality towns increased by 164 percent, and their per capita income rose from 624 yuan in 1985 to 1,162 yuan. In the Seventh Five-Year Plan period, the number of minority nationality primary and middle schools rose from 18 to 47 and that of minority nationality nursery schools rose from 13 to 41. A network of ordinary education for national minorities has taken preliminary shape. Over the past years, the state, the collectives, and the individuals collected 20 million yuan of funds to help nine minority nationality primary and middle schools build or rebuild schoolhouses and noticeably improved the teaching conditions and quality. [passage omitted]

Inner Mongolia Enhances Energy, Material Base

OW0803151592 Beijing XINHUA in English
1423 GMT 8 Mar 92

[Text] Hohhot, March 8 (XINHUA)—North China's Inner Mongolia Autonomous Region has invested more than 6.6 billion yuan in the construction of energy and raw material production bases this year.

According to statistics released by the autonomous region recently, the region has invested a total of 9.8 billion yuan in capital construction in the past two years. The autonomous region plans to invest 7.3 billion yuan in capital construction in 1993, an all-time high record.

The autonomous region is rich in resources of minerals such as rare earth and coal. It also ranks the fourth in timber reserves in the country.

A group of large scale coal and energy bases are now under construction. They include the Junggar Coal-Electricity Project, the Yuanbaoshan Opencut Coal Mine, and the expansion project of Huolinhe Opencut Coal Mine. In addition, construction of five other large coal mines and energy bases are expected to be started this year. When completed, the projects will help increase the province's annual production capacity of coal by 40.6 million tons, almost doubling the current figure.

In addition to four special railways for coal transportation that have been completed, the Harbin-Manzhouli Railway is being upgraded with multiple tracks. And the longest local railway in the country will be completed in the region within one year.

The Baotou Iron, Steel and Rare Earth Company, the largest industrial enterprises in the region, has increased capacity through technical renovation.

The forest farms in the Da Hinggan Lin Area in the autonomous region is expected to increase production capacity of timber by 133,000 cu m this year.

Hebei Secretary Attends CPPCC Session Closing

SK1003040892 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 7 Mar 92

[Excerpts] The fifth session of the sixth provincial committee of the Chinese People's Political Consultative Conference [CPPCC] ended amid the grand playing of the national anthem on the afternoon of 7 March after successfully fulfilling all items on the agenda.

The session called on CPPCC members across the province, all democratic party and mass organization members, nonparty patriotic personages, and delegates of various nationalities and all circles to work in accordance with the plans of the Hebei Provincial CPC Committee under the guidance of the basic line of one focus and two basic points, further emancipate minds, advance with a pioneering spirit, pool the wisdom and efforts of everyone, grasp their work realistically, work in a down-to-earth manner, strive to effect a quicker development of our province's economic construction, comprehensively realize the second-step strategic objectives on national economic and social development, and promote the peaceful reunification of the motherland.

The 7 March session was presided over by Wang Zuwu, vice chairman of the provincial CPPCC Committee. The other executive chairmen of the session were Du Jingyi, Liu Zongyao, and Yu Zhenzhong, vice chairmen of the provincial CPPCC committee. Li Wenshan, chairman of the provincial CPPCC committee; Xu Chunxing, Wang Enduo, Ma Xinyun, Zhang Ruolin, Chen Lintang, Wang Shusen, and Huang Lan, vice chairmen of the provincial CPPCC committee, attended the session. Leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial military district, the provincial Higher People's Court, and the provincial People's Procuratorate, which included Xing Chongzhi, Cheng Weigao, Lu Chuanzan, Li Bingliang, Yang Zejiang, Guo Zhi, Ren Peiyu, Ye Liansong, Li Haifeng, Zhang Zhenhuan, Yue Zongtai, Liu Ying, Hong Yi, Zou Renjun, Du Benjie, Bai Shi, Song Shuhua, Guo Erxiong, Wang Youhui, Li Yongjin, Liu Zongxin, and (Wu Hongfan). [sentence as heard] The participants also included members of the National CPPCC committee Standing Committee residing in our province such as Liu Bingyan and Xie Feng; and responsible persons of the

Friendship Federation of the provincial CPPCC committee, including Yin Zhe, Jia Qiyun, Xu Ruilin, and Ma Zhuozhou; responsible persons of the provincial democratic parties such as Liu Zhenhua; and responsible comrades of the relevant departments, committees, and bureaus, and other nonvoting delegates attended the closing ceremony on 7 March. [passage omitted]

Zhao Huichen was elected vice chairman of the sixth Hebei Provincial CPPCC Committee, and Li Wenzao, secretary general. [passage omitted]

Li Wenshan, chairman of the provincial CPPCC committee, gave a speech at the end of the closing session. He pointed out: In face of the new situation and new problems in reform and opening up, the CPPCC organizations at all levels across the province, the CPPCC members, various democratic party members, and personages from all walks of life, should act in accordance with the central leading comrades' demands which called for emancipating minds and boosting courage to a further extent and making bigger strides. The demands also included further emancipating minds, renewing concepts, enhancing spirit, advancing with a pioneering spirit, coming forward with new ideas, striving to further deepen reform, opening wider to the outside world, serving economic construction, and advancing our province's modernization drive.

Li Wenshan stressed that we should particularly grasp well three aspects of work at present and in the days to come. First, we should strive to raise the quality in investigation and motions handling work, and offer plans and suggestions for further deepening reforms, opening wider to the outside world, and accelerating the national economic development; second, display the advantages of having intellectual resources, actively participate in the coordinated activities of economic construction, and do more solid work to promote reforms, open wider to the outside world, and accelerate economic development; third, be keen on exploring and blazing new trails, grasp our work realistically, work in a down-to-earth manner, and spare no efforts to accelerate the pace of reforms and to open wider to the outside world.

Hebei Province Hosts 647 Foreign-Funded Firms

OW0703103792 Beijing XINHUA in English 0953 GMT 7 Mar 92

[Text] Shijiazhuang, March 7 (XINHUA)—Foreign funded enterprises opened in north China's Hebei Province increased to a total of 647 by the end of February, according to statistics released recently by the province.

The province has approved foreign funded projects in the first two months of this year at an average rate of one project every day. Among the foreign invested projects approved in the province, 98 percent are industrial producers.

The province, located in the northern part of China with no harbor or border outlet to the outside, has been actively seeking foreign cooperation in the past decade. In recent years, it enhanced the efforts to draw foreign investments by holding trade talks in coastal cities and invited overseas businessmen to the province. The province also adopted favorite policies to encourage foreign investments in industry, high-tech projects and agricultural development.

Now, the total investment in foreign funded enterprises in the province has reached 1.63 billion U.S. dollars, including 410 million U.S. dollars from abroad. Among the 647 foreign funded enterprises in operation in the province, 589 are Sino-foreign joint ventures, 26 are Sino-foreign cooperative businesses, and 32 are solely invested by overseas investors.

Northeast Region

Heilongjiang People's Congress Session Ends

SK1003005192 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 8 Mar 92

[Text] After satisfactorily accomplishing various items on the agenda, the seven-day fifth session of the seventh provincial People's Congress successfully concluded at the provincial exhibition hall theater on the afternoon of 8 March.

The session called on the people of various nationalities across the province to further unite with each other, emancipate their minds, be inspired with enthusiasm, pursue the task of national buildup with determination and dedication, wage an arduous struggle, keep forging ahead, try to fulfill all tasks as defined at the session, and bravely advance along the road of socialism with Chinese characteristics.

The closing ceremony was chaired by Sun Weiben, executive member of the session.

By a show of hands, 534 deputies participating in the session approved the resolution on the work report of the provincial people's government, the resolution on the 1992 national economic and social development plan, the resolution on the implementation of the 1991 budget and the 1992 budget, the resolution on the work report of the Standing Committee of the provincial People's Congress, the resolution on the work report of the provincial higher people's court, and the resolution on the work report of the provincial people's procuratorate.

By secret ballot, the session elected Li Genshen as vice chairman of the Standing Committee of the provincial People's Congress; and Wang Yufu, Liu Linji, and Song Enhua as members of the Standing Committee of the provincial People's Congress.

Amid the warm applause, Comrade Sun Weiben presented certificates to them.

Comrade Sun Weiben spoke at the closing ceremony.

He said in his speech: Through the concerted efforts of the deputies and nonvoting delegates participating in the session, the fifth session of the seventh provincial People's Congress satisfactorily accomplished all items on the agenda and was successfully convened. It was a meeting of democracy and unity as well as a meeting to mobilize the enthusiasm of the people, seek truth, and deal with concrete matters relating to work.

He finally urged that all deputies do a good job in relaying the session guidelines, unite with all people of the province, and try to implement the resolutions approved at the session.

Heilongjiang Trade Fair for CIS Countries Ends

SK1003004492 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 8 Mar 92

[Text] The Heihe economic and trade fair to celebrate the Dragon Festival opened on the second day of the second month on the lunar calendar and ended on 7 March. The festival was held for the Russian Federation and several countries of the CIS. Economic and trade contracts involving more than 429 million Swiss Francs were signed at the three-day economic and trade fair. More than 1,200 visiting traders of 289 delegations from eight countries, including Latvia and some CIS countries and more than 2,000 businessmen from various localities of the country attended the economic and trade fair. Business was very brisk. The planned transaction volume was 300 million Swiss Francs and the real transaction volume exceeded 429 million Swiss Francs. This included the spot exchange trade volume exceeding \$11 million and the export trade volume reaching more than 200 million Swiss Francs. During the trade fair, 25 economic and technological cooperation agreements involving more than 36.5 million Swiss Francs, 11 labor service cooperation agreements involving more than 11 million Swiss Francs, and three agreements on developing industries of processing and assembling with materials and specifications provided by foreign firms involving 365,000 Swiss Francs were signed. The visiting traders other than those in Heihe Prefecture signed 19 agreements involving more than 47 million Swiss Francs, accounting for 11.5 percent of the total.

During the trade fair, Heihe Prefecture reached agreements on establishing friendship ties with Amur Oblast of the Russian Federation and [words indistinct] city of the Kirgiz Republic and also signed the summary of the talks.

Heilongjiang To Reform State-Owned Enterprises

SK1003050092 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 9 Mar 92

[Text] The province will gradually conduct reforms among state-owned commercial enterprises and supply

and marketing cooperatives this year so as to relax the restrictions of management, prices, distribution, and employment.

The major content of the reform measures is to relax the restrictions of management. At the time of handling their own managerial work, enterprises should expand the scale of management according to their own actual conditions, readjust their management forms, carry out adopting specialized production as a key link and develop a diversified economy. Except for the major daily necessities whose prices are managed by the central authorities and the province as well as the agricultural capital goods whose prices are fixed and guided by the state, the prices of other commodities can be fixed by enterprises. Enterprises should closely link distribution with the increases in economic results and closely integrate the wages of staff and workers with their labor efficiency and quality. On the premise of ensuring larger amounts of profits handed over to the state and obtained by enterprises, enterprises have the decision-making rights to distribution. Enterprises should carry out the system of contracted labor involving all staff and workers, the system of appointing cadres, and the in-factory job placement system. By optimizing labor organization, enterprises should carry out the in-service, professional work training, and job-placement systems and [words indistinct]. According to the unified arrangement of the provincial government, the state-owned and cooperative large and medium-sized commercial enterprises where conditions permit should carry out, in groups and in stages, the reforms of relaxing management, price, distribution, and employment restrictions. In the first half of this year, the province should carry out, on a trial basis, the reforms among 20 percent of the enterprises. Depending on the situation, the province should gradually expand the scale of reforms in the second half of the year. Each and every city and county should select one or two wholesale enterprises to conduct reform on a trial basis, strive to accumulate experiences, and popularize reform in a step-by-step manner. Cities and counties should decide whether reform should be carried out among small enterprises.

Northwest Region

Gansu Secretary at Provincial CPPCC Closing

HK1003072592 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 5 Mar 92

[Excerpt] The Fifth Session of the Sixth Gansu Provincial Chinese People's Political Consultative Conference [CPPCC] Committee successfully fulfilled its agenda and concluded in Lanzhou's Linmuzhuang Hotel yesterday afternoon.

Sun Xiaodeng, provincial CPPCC committee vice chairman, presided over the closing ceremony.

Provincial CPPCC committee Chairman Ge Shiyong and Vice Chairmen Huang Zhengqing, Ma Zuling, Yan

Shutang, Zhu Xuanren, Gungtamcang, Qin Shiwei, Cui Guoquan, Li Zhong, Chen Jianhong, and Yin Dongyi attended the closing ceremony.

Also attending the closing ceremony by invitation were provincial party, government, and military leading comrades and a number of veteran comrades, such as [provincial party committee Secretary] Gu Jinchu, [advisory committee Chairman] Li Ziqi, [Governor] Jia Zhijie, Xu Feiqing [provincial people's congress Standing Committee chairman], Yan Haiwang, Huang Luobin, Li Dengying, Wang Bingxiang, Zhang Wule, Yang Zhenjie, Sun Cuiping [provincial military district commander], Yang Fuxing, Ma Yuhai, Jamyang Losang Jigme Tubdain Qoigyi Nyima, Lu Ming, Mu Yongji, Li Ping, Zhao Lirong, Li Zhong, Lu Shaoshan, Huang Yaohua, Wu Jian, Huang Shijie, Yuan Dajun, and others.

The closing session adopted: 1) The Resolution of Fifth Session of Sixth Gansu Provincial CPPCC Committee; 2) the Resolution on Sixth Gansu Provincial CPPCC Committee Standing Committee Work Report; 3) the Report of the Fifth Session of the Sixth Gansu Provincial CPPCC Committee on Motions Examination Work.

Provincial CPPCC committee Chairman Ge Shiyong delivered a speech at the closing ceremony in which he called on all CPPCC committee members and CPPCC committees across the province to further emancipate minds and unify understanding in face of new situations and new tasks, work with one heart and one mind, unite and forge ahead under the leadership of the Gansu Provincial CPC Committee, make greater contributions to Gansu's reform and construction, and strive to greet the forthcoming convocation of the 14th CPC National Congress with more outstanding achievements. [passage omitted]

Ningxia Secretary Addresses Nationality Meeting

HK1003012692 Yinchuan NINGXIA RIBAO in Chinese
25 Jan 92 p 1

[Report: "Regional Party Secretary Huang Huang Addresses Meeting of Regional CPC Committee Standing Committee on Nationality Work"]

[Text] On 23 January, the Autonomous Regional Party Committee Standing Committee convened a meeting to study the implementation and enforcement of the spirit of the central conference on nationality work and to strive to open up a new dimension in our region's nationality work.

The meeting gave a high evaluation to the central conference on nationality work which was convened earlier, believed that the conference has fully affirmed the tremendous achievements scored over the last 40 years in our country's nationality work, scientifically summed up the basic experiences for doing a good job in nationality work, studied and analyzed the current situation in nationality work, profoundly expounded on the importance and long-term nature of nationality work, and put

forward the major tasks, policies, and measures for the 1990's nationality work. The meeting believed that all these are profoundly significant for strengthening solidarity between nationalities, promoting common progress and prosperity in nationality areas, ensuring long-standing peace and order in the country, further realizing our country's second-step strategic goals, and building socialism with Chinese characteristics. Comrades who attended the meeting were greatly encouraged and their confidence in doing a good job in nationality work was further strengthened.

The meeting believed that our region's nationality work has scored tremendous results. In particular, since the Third Plenary Session of the 11th CPC Central Committee, our region's nationality solidarity has been further strengthened, the party's nationality policy has struck deeper roots in people's hearts, and the economies of nationality areas have developed further.

Those at the meeting agreed that economic development in the minority nationality areas is the central issue. Compared with the coastal areas, our region's economy lags some distance behind. But this is distance in the course of development. The Central Committee and State Council have continued to pursue preferential policies toward minority nationality areas. As a minority nationality autonomous region, we must rely on self-development, carry forward the spirit of self-reliance and arduous struggle in order to narrow the distance.

The meeting demanded that the spirit of the central conference on nationality work be passed on to lower ranks level by level and in a planned and rapid manner.

Huang Huang, secretary of the Autonomous Regional Party Committee, stressed in his address: The key of implementing and enforcing the spirit of the central conference on nationality work lies in educating cadres and the masses in Marxist nationality viewpoints and the party's nationality policies, and conducting education in the fact that the "Han nationality cannot do without minority nationalities and minority nationalities cannot do without the Han nationality." Nationality areas are relatively backward in their economies. We must firmly grasp the center of economic construction, continue to strengthen the work of supporting the poor in the southern mountainous areas, strive hard to improve the productive conditions in southern mountainous areas so the areas will develop and prosper in unison with the entire region. He said: We must do a better job in training, selecting, and promoting nationality cadres, which is one of the indications for prosperity in nationality areas. We must select and promote nationality cadres who are good both in ability and political integrity to fill leadership groups at all levels, pay attention to improving the composition of cadre contingents and raising cadres' quality. We must attach importance to and properly handle religious problems, correctly distinguish contradictions which are of two different kinds in nature, and do more work in reconciliation and guidance. We must bring religious activities under the scope

of the Constitution and law and strengthen management of religious affairs. We must strengthen research and studies, do more work to raise our region's tasks for nationality solidarity and progress to a new stage of development.

Shaanxi Governor Delivers Government Work Report

HK1003073692 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 5 Mar 92

[Excerpts] Provincial Governor Bai Qingcai delivered a government work report at the Fifth Session of the Seventh Shaanxi Provincial People's Congress. Bai Qingcai said: In 1991, governments at all levels and people across the province successfully fulfilled all the tasks put forth by the fourth session of the seventh provincial people's congress and brought about steady provincial economic growth. Provincial industrial production maintained relatively fast growth and scored better economic efficiency. The total industrial output value realized at and above township level stood at 44.15 billion yuan, representing a 11.8 percent increase over the year before. The second half of last year witnessed a noticeable improvement of enterprise economic results. More than 100 loss-making enterprises were closed, had operations suspended, were amalgamated, or shifted to other lines of production as a result of product mix readjustment. The rural production structure was further readjusted. The rural economy witnessed a sustained growth. The total rural social output value reached 35.57 billion yuan, of which the total agricultural output value exceeded 18.5 billion yuan. Despite a serious drought, unprecedented in history, the total provincial grain output reached 10.47 billion kilograms. [passage omitted]

Bai Qingcai noted: In 1991, provincial revenue also overfulfilled the quota listed in the provincial financial estimates, reaching 4.514 billion yuan, representing a 9.18 percent increase over the year before. [passage omitted]

When outlining the main economic and social development tasks for 1992, Bai Qingcai stated: In 1992, we must conscientiously implement and carry out all the decisions made by the central authorities; give top priority to agricultural production; further strengthen agricultural and rural work; persistently take a road leading toward good quality, low consumption, high yield and high efficiency in developing agriculture; and work hard to reap a good agricultural harvest on an overall scale. We must strive to raise the total provincial agricultural output value to 19.17 billion yuan, a 4 percent increase over last year; total provincial grain output to 10.9 billion kilograms, a 4.1 percent increase over last year; and total provincial cotton, oil crop, and economic crop output value to a much higher level. We must make unreserved efforts to develop a diversified economy; raise the proportion of the growing area of economic crops from 16.3 percent to 20 percent; develop more pillar industries and pillar products; build a scale

economy; establish more economic entities; carry out serial development; and gradually form an economic pattern characterized by a combination of planting, breeding, and processing industries; a linkage between production, supply, and marketing networks; and an integration of agriculture, industry, and commerce. We must further develop township and town enterprises; concentrate on developing farm and sideline products, processing industries, and other types of service trades promotive of rural commodity economy development; raise the proportion of secondary and tertiary industries in the entire rural economy; and vigorously carry out farmland capital construction. [passage omitted]

Xinjiang 7th People's Congress Holds 5th Session

QW0603152492 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 5 Mar 92

[From the "Xinjiang News" program]

[Text] This morning, delegates to the Fifth Session of the Seventh Xinjiang Uygur Autonomous Regional People's Congress held their third plenary session to hear work reports by the autonomous regional people's congress Standing Committee, the autonomous regional higher people's court, and the autonomous regional people's procuratorate. They also adopted procedures governing the passage of resolutions at the session. Executive chairmen at today's session included Zhang Sixue, Mahinur Kasim, Saersibik Istik, Ma Mingliang, Xu Peng, Abulayoufu, Nuermohemaiti Reyisi, (Ma Chenglong), (Chai Wen), (Xie Juqiang), (Maimaitijiang Aimaityi), Li Zhengzhong, (Aerstein Bek), (Ayoufu Kurban), and (Abuduwufuer Silik).

Amdun Niyaz, chairman of the autonomous regional people's congress, delivered a work report of the autonomous regional people's congress Standing Committee, in which he said: In 1991 the autonomous regional people's congress Standing Committee, under the leadership of the autonomous regional party committee, steadfastly implemented the party's basic line of one central task and two basic points; comprehensively implemented the guidelines of the Seventh and Eighth Plenary Sessions of the 13th CPC Central Committee, the central work conference, and the fourth autonomous regional party congress; and earnestly executed the various resolutions adopted by the Fourth Session of the Seventh Autonomous Regional People's Congress. It also made relentless efforts and new headway in improving its supervisory functions, in promoting the enactment of local laws, in establishing close contact with deputies, in publicizing the system of people's congresses, and in strengthening its own organizational structure. Its primary efforts included:

1. Performing key supervisory functions and striving to improve job performance;
2. Supervising local law-making and law enforcement efforts, and working steadily to promote the rule of law in the autonomous region;

3. Enhancing contact with deputies and actively exploiting the role of deputies;
4. Paying attention to studying the work of local people's congresses and intensifying publicity efforts regarding the system of people's congresses;
5. Following the legal process in handling personnel appointments and dismissals; and
6. Actively strengthening its own organizational structure to assure the performance of official functions according to law.

Speaking on the work to be undertaken by the autonomous regional people's congress Standing Committee this year, Amdun Niyaz stated: As required by the party Central Committee, the Standing Committee should further implement the guidelines of the central work conference, the Eighth Plenary Session of the 13th CPC Central Committee, the central work conference on nationalities, and the Third Expanded Plenary Session of the Fourth Autonomous Regional Party Committee. It should conscientiously perform the functions entrusted to it by the Constitution and the law, and successfully execute the following tasks: First, it should improve its supervisory functions to ensure and promote economic development and political stability. Second, it should promote the rule of law to ensure the enforcement of laws and regulations. Third, it should uphold and improve the system of people's congresses and further improve its own organizational structure. And fourth, it should strengthen organizational leadership and perform a good job in holding end-of-term elections to the autonomous regional people's congress.

Kurban Rozi, president of the autonomous regional higher people's court, delivered a work report at the session in which he said: In 1991 people's courts at all levels in our region fought various criminal offenses, helped administer justice, and held extensive trials in accordance with the law. They worked under the guiding thought of safeguarding social stability and promoting economic development; they were guided, supervised, and supported by party committees, people's congresses, and people's governments at all levels. They completed the trials of 66,705 assorted cases. Of these, 10,508 were criminal cases subject to first-instance trials, or 15.75 percent of all cases subject to similar trials. Economic disputes as well as civil and criminal cases subject to first-instance trials totaled 56,197, or 84.25 percent of all cases subject to similar trials. Aside from holding trials, courts at all levels also took an active part in improving overall public order; safeguarded the legitimate rights and interests of citizens and legal persons; and in played an important role in promoting stability, unity, and economic development in the autonomous region.

Liu Yang, deputy procurator general of the autonomous regional people's procuratorate, delivered a work report at the session in which he said: In 1991 people's procuratorates at all levels throughout the region honestly performed their legal supervisory functions, waged a thoroughgoing struggle aimed at punishing bribery and

dealing a harsh blow to serious crime, conducted procuratorial work in an all-round way, and played a positive role in safeguarding the autonomous region's political and social stability as well as its socialist economic construction. In doing so, they worked closely around the central tasks of the party and the state, abided by the Constitution and relevant laws, and upheld the people's democratic dictatorship. Last year, procuratorial organs received 1,868 economic cases involving corruption and bribery, and acted on 1,147 of them. Of the cases handled, 888 involved graft and bribery. The procuratorates completed proceedings against 809 cases involving 932 people and retrieved 12.18 million yuan's worth of stolen goods. They also arrested 11,353 criminals at the request of public security agencies, and completed trial proceedings against 10,823 of them. Moreover, they prosecuted 14,476 people at the request of public security agencies, and completed trial proceedings against 12,079 of them. They filed public indictments against 11,011 people, or 91.16 percent of the people prosecuted and tried.

The session also adopted procedures governing the passage of resolutions at the session.

Presidium Meeting Held

OW0803151892 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 6 Mar 92

[By station reporters Guo Yueling and Huo Yuanmin; from the "Xinjiang News" program]

[Text] The Presidium of the Fifth Session of the Seventh Xinjiang Uygur Autonomous Regional People's Congress held its second meeting this morning. Amudun Niyaz, executive chairman of the presidium of the session, presided over the meeting.

The meeting heard briefings by the Secretariat of the session on discussions by the various delegations on the relevant reports and their opinions, heard and adopted after deliberation a report by the committee for examining motions submitted to the session on the examination of the motions, heard and adopted after deliberation a report by the session's committee for examining plans & budgets on the examination of the execution of the region's 1991 national economic and social development program and 1991 fiscal budget as well as the draft development program and fiscal budget for 1992, adopted and submitted for deliberation by the session a draft resolution on the government work report, adopted and submitted for deliberation by the session a draft resolution on the execution of the 1991 national economic and social development program and on the program for 1992, adopted and submitted for deliberation by the session a draft resolution on the execution of the region's 1991 fiscal budget and on the 1992 fiscal budget, adopted and submitted for deliberation by the session a draft resolution on the work report submitted by the Standing Committee of the regional people's congress, and adopted and submitted for deliberation by

the session a draft resolution on the work reports submitted by the regional higher people's court and people's procuratorate.

Wang Enmao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, attended today's meeting. Attending the meeting as observers were Wang lequan, vice chairman of the regional government, and responsible comrades from the regional planning commission, finance department, higher people's court, and people's procuratorate.

Standing Committee Report Adopted

OW0803175092 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 7 Mar 92

[Resolution of the Fifth Session of the Seventh Xinjiang Uygur Autonomous Regional People's Congress on the work report of the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee, adopted by the second meeting of the Presidium of the Fifth Session of the Seventh Autonomous Regional People's Congress on 6 March 1992 and by the Fifth Session of the Seventh Autonomous Regional People's Congress on 7 March 1992; from the "Xinjiang News" program—read by announcer]

[Text] The Fifth Session of the Seventh Xinjiang Uygur Autonomous Regional People's Congress has deliberated the work report of the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee delivered by Chairman Amudun Niyaz.

The session holds that since the Fourth Session of the Autonomous Regional People's Congress, the Standing Committee has persistently taken economic construction as the central task, seriously performed its duties as prescribed in the PRC Constitution and other laws, and made new progress in improving the supervisory work, stepping up local legislation, and publicizing the people's congress system. The session, satisfied with the work done by the autonomous regional people's congress Standing Committee in the past year, has decided to approve the report.

The session calls on the Standing Committee to continue to firmly implement the party's basic line in an all-around way, play an even better role as the permanent body of a local organ of state power, and strive to maintain stability, promote reform, open Xinjiang wider to the outside, and accelerate economic development. The Standing Committee should further strengthen its supervisory role, pay more attention to supervising and inspecting the implementation of laws and regulations, and continue to pay attention to local legislative work, particularly the enactment of local legislation for the protection of reform, opening to the outside world, and economic construction. It should carefully prepare the election of the next autonomous regional people's congress, keep in close touch with people's congress deputies, and actively create the necessary conditions for them to perform their duties. It should continue to

improve itself, change its work style, conduct thorough investigations and studies, and create a new situation in the work of the people's congress Standing Committee.

Government Work Report Approved

OW0803062292 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 7 Mar 92

[From the "Xinjiang News" program]

[Text] The Fifth Session of the Seventh People's Congress of the Xinjiang Uygur Autonomous Region deliberated the government work report delivered by Chairman Tomur Dawamat.

The session held that the year 1991 was one in which the people of Xinjiang continued to advance after overcoming difficulties. Under the correct leadership of the party Central Committee, State Council, and autonomous regional party committee, the people's governments at all levels in the autonomous region led people of all nationalities in the region to focus on economic construction, uphold the four cardinal principles, adhere to the reform and open policy, and work hard for unity. As a result, they consolidated and developed a stable and unified political situation in the autonomous region, basically completed the task of economic improvement and rectification, promoted developing the national economy, strengthened spiritual civilization building, and boosted progress in every field of social work.

The work report summed up the overall achievements of government work in 1991, realistically pointed out the existing difficulties and problems lying ahead, and put forward the principal tasks, goals, and measures for developing the national economy and all fields of social work.

Satisfied with the work done by the autonomous regional people's government, the session decided to approve the work report.

The session held that the current situation at home and abroad is favorable to developing the regional economy. People's governments at all levels in the autonomous region must seize the good opportunity, implement in an all-around way the party's basic line of "one center, two basic points," keep to the central task of economic construction, emancipate their minds, make bold exploration, accelerate the pace of reform and opening up, and organize all forces of society to push forward the region's economic construction.

People's governments at all levels should continue to pay attention to agriculture and rural work; consolidate and improve the household contract responsibility system with remuneration linked to output; optimize the agricultural structure; constantly enhance the comprehensive production capacity of agriculture; strive to develop the rural secondary and tertiary industries with village and town enterprises as the main body; help counties to develop their economy through adopting preferential

policies; promote all-around invigoration of the rural economy; further upgrade state-run large and medium-sized enterprises; accelerate adjusting the economic structure and transforming enterprises' operative mechanisms; be determined to push enterprises toward a market-oriented economy, strengthen enterprises' vitality, and upgrade economic efficiency; expand foreign trade and economic and technological cooperation with foreign countries and strive for rapid progress in regional and border trade; actively support the prospecting and exploitation of petroleum, boost the development of local economies, persist in the principle of invigorating Xinjiang with the help of science, technology, and education; develop all fields of social undertakings to promote all-around progress in society; continue to strengthen building spiritual civilization; deepen ideological education in socialism; earnestly implement the Law on Regional National Autonomy; promote unity among various nationalities; strengthen overall control over public security; strive to safeguard stability; and create a better political and social environment for economic construction, reform, and opening to the outside world.

The session called on people's governments at all levels in the autonomous region to improve their work style, reduce the number of meetings and documents, do more work instead of holding empty talks, firmly implement policies, avoid formalism and overcome bureaucratism, make investigations and studies, boldly carry out experiments, promptly sum up experiences, lose no time in solving principal contradictions and critical problems, creatively open up a new situation, be honest and execute their duties according to law, serve the people of all nationalities wholeheartedly, do some good and practical things for grass-roots units and the masses, and work hard to ensure the accomplishment of all tasks set by this session.

The session called on the workers, peasants, herdsmen, intellectuals, and cadres of all nationalities in the region; the units of the People's Liberation Army in Xinjiang, armed police units, public security personnel, and staff members and workers of the Production and Construction Corps, under the leadership of the party Central Committee, State Council, autonomous regional party committee, and autonomous regional people's government, to work with one heart and one mind and achieve outstanding results in reform, opening up, and economic development to greet the 14th National Congress of the Communist Party of China.

Session Closes

OW0803040192 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 7 Mar 92

[From the "Xinjiang News" program]

[Text] The Fifth Session of the Seventh People's Congress of the Xinjiang Uygur Autonomous Region ended

at the Xinjiang People's Hall this afternoon after successfully fulfilling all items of the agenda. The session was presided over by Amudun Niyaz, executive chairman of the congress and chairman of the Standing Committee of the autonomous regional people's congress. Other congress executive chairmen present the session today were Sawdanov Zayir, (Zhang Sixue), Mahinur Kasim, (Shi Geng), Saersibik Istik, Zhang Shaopeng, Ma Mingliang, Kurban Ali, Abdurehim Litip, Xu Peng, Turbayim, (Abdura Yufu), and (Yashenshir).

Wang Enmao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, leading party, government, and military comrades of the autonomous region, as well as leaders of the production and construction corps, including Song Hanchang, Tomur Dawamat, Janabil, Zhang Fusen, Keyum Bawudun, Tang Guangcai, Wang Lequan, (Zhou Shengtao), (Zhou Guofu), (Hailijimuslam), (Badai), Chen Xifu, and (Gao Huanchang), attended the session.

The session adopted a resolution on the government work report and called on people's governments at all levels to improve their work style, reduce the number of meetings and documents, do more work instead of making empty talk, firmly implement policies, avoid formalism and overcome bureaucratism, make investigations and studies, boldly carry out experiments, promptly sum up experiences, lose no time in solving principal contradictions and critical problems, and creatively open up a new situation. The session also called on governments at all levels to be honest and execute their duties according to law, serve the people of all nationalities wholeheartedly, do some good and practical things for grass-roots units and the masses, and work hard to ensure the accomplishment of all tasks set by this session.

The session adopted a resolution on implementing the autonomous region's 1991 national economic and social development plan and its national economic and social development plan for 1992, a resolution on implementing the autonomous region's 1991 budget and its budget for 1992, a resolution on the work report of the Standing Committee of the autonomous regional people's congress, a resolution on the work report of the autonomous regional higher people's court, and a resolution on the autonomous regional people's procuratorate.

In conclusion, the session called on the workers, peasants, herdsmen, intellectuals, and cadres of all nationalities in the region; the units of the People's Liberation Army in Xinjiang, armed police units, public security personnel, and the staff members and workers of the production and construction corps, under the leadership of the party Central Committee, State Council, autonomous regional party committee, and autonomous regional people's government, to work with one heart and one mind and achieve outstanding results in reform, opening up, and economic development to greet the 14th National Congress of the Communist Party of China.

Janabil Addresses Xinjiang Propaganda Work Group

OW0903004392 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 7 Mar 92

[From the "Xinjiang News" program]

[Text] Janabil, deputy secretary of the autonomous regional party committee, emphasized in his speech to the autonomous regional meeting of propaganda department directors yesterday morning: In propaganda work, we should comprehensively and accurately publicize the party's basic line, give more publicity to the policy of reform and opening to the outside world, create a favorable public opinion to promote Xinjiang's economic development, reform, and opening to the outside world.

In his speech, Janabil reviewed the achievements made by Xinjiang in propaganda and ideological work last year. He also discussed his views on how to do good propaganda work this year. He pointed out the necessity to understand and implement the party's basic line comprehensively and accurately.

He said: Both revolution and reform are designed to release productive forces. To accelerate economic construction and develop productive forces, we must accelerate reform and opening to the outside world.

Janabil emphasized: We should constantly enhance the sense of serving economic construction and make great efforts to publicize economic work. We should help in economic construction by using various propaganda media to arouse even greater enthusiasm among people for economic development. We should give more publicity to reform and opening to the outside world, so that cadres and people of all nationalities will understand even more about China's general policy of reform and opening to the outside world and have even more confidence in the future of reform and opening to the outside world. We should foster typical characters, promptly sum up and popularize the experience of success in reform and opening to the outside world, and guide people to emancipate their minds and seek truth from facts. We should actively study new theories and circumstances, boldly explore new questions, have the courage to pioneer and forge ahead, and constantly deepen the reform and further the opening to the outside world.

The four-day autonomous regional meeting of propaganda department directors closed yesterday afternoon. The meeting conveyed to the attendees the guidelines of the national conference of propaganda department directors and the Third Enlarged Plenary Session of the Fourth Xinjiang Autonomous Regional CPC Committee. It summed up last year's work and arranged this year's propaganda work and tasks.

Other speakers at the meeting included Feng Dazhen, director of the propaganda department of the Autonomous Regional Party Committee; and (Abuliezi), deputy director of the propaganda department.

Leaders at Closing of Xinjiang CPPCC Session

OW0703222992 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 6 Mar 92

[From the "Xinjiang News" program]

[Text] The seven-day Fifth Session of the Sixth Xinjiang Autonomous Regional Committee of the Chinese People's Political Consultative Conference [CPPCC] closed in the Xinjiang People's Hall this afternoon [6 March] after successfully completing all of the items on its agenda. Seated in the front row on the rostrum were Wang Enmao, vice chairman of the CPPCC National Committee; Ba Dai, chairman of the autonomous regional CPPCC committee; vice chairmen of the autonomous regional CPPCC committee, including Melhemaiti Simayi, Wang Shizhen, Kambarhan Amat, Tayier Maimaitili, Zhao Ganqing, Yibulayin Rouzi, Deyal Khulmash, Ga Wenxiang, Aronghanaji, and Lu Qianxun; and Hasimu Yimiti, secretary general of the autonomous regional CPPCC committee.

Also present were Comrades Song Hanliang, Tomur Dawamat, Janabil, Amudun Niyaz, Zhang Fusen, Keyum Bawudun, Tang Guangcai, Zhou Shengtao, Zhou Guofu, (Hailiqiemu Silamu), and (Chen Xifu); and 368 members of the autonomous regional CPPCC committee. Present as non-voting delegates were members of the CPPCC National Committee residing in the Urumqi area; responsible persons of democratic parties; directors of the united front work departments of the autonomous region and all prefectures and autonomous prefectures; and responsible persons of the CPPCC committees of all autonomous prefectures, cities and counties.

Ba Dai presided over the closing meeting. The closing meeting first adopted the political resolution of the Fifth Session of the Sixth Autonomous Regional CPPCC Committee.

The political resolution points out: The Fifth Session of the Sixth Autonomous Regional CPPCC Committee, filled with an atmosphere of democracy, unity, seeking truth from facts, and forging ahead courageously, was a great success. The members of the autonomous regional CPPCC committee unanimously believe that the government work report delivered by Tomur Dawamat conforms to the reality of the autonomous region.

The conferees said: To take economic construction as our central task is a guiding principle which we must strictly follow. To persist in reform and opening to the outside world, make great efforts to develop economy and promote social progress is an objective demand for us to meet. We should lose no time in further reform and opening to the outside world, do a good job in economic construction, and ensure coordinated and steady economic development.

The conferees said: Unity among all nationalities is an effective guarantee for success in all work in Xinjiang. We should resolutely oppose national splittism, safeguard the

unification of the motherland, and ensure a smooth proceeding of Xinjiang's socialist modernization, reform, and opening to the outside world.

The session called on the CPPCC committee members of all nationalities to emancipate their minds; raise their awareness of the need of reform and opening to the outside world; take economic construction as the central task; follow the example of committee member (Wang Wei); improve work style; actively participate in and discuss state affairs; assist the autonomous regional CPC committee and people's government in the three major tasks of developing the economy, stepping up party building, and maintaining social stability; and contribute to the development of all undertakings in Xinjiang. The session adopted a resolution of the Fifth Session of the Sixth Autonomous Regional CPPCC Committee on the work report of the Standing Committee. It also adopted the report on the examination of proposals.

Ba Dai, chairman of the autonomous regional CPPCC committee, delivered the closing speech.

He said: With the joint efforts made by the conferees, this session has successfully completed all the items of its agenda and come to a close today. Convened under the guidelines of the Third Plenary Session of the Fourth Xinjiang Autonomous Regional CPC Committee, this CPPCC committee session has, from beginning to end, stressed the central topic of how to further reform and opening. The committee members spoke their mind freely during the meeting, and put forward important opinions and suggestions on various development projects of this region. Their opinions and suggestions are praised by the responsible comrades of the party and government organizations as well as the departments concerned in Xinjiang, fully showing the CPPCC committee members' political zeal and their enthusiasm for participating in state affairs.

Ba Dai called on the comrades of CPPCC committees at all levels in Xinjiang to understand the guidelines of the Third Plenary Session of the Fourth Xinjiang Autonomous Regional CPC Committee, unify their thinking and action, firmly take economic construction as the central task, do solid work, actively perform their duty of political consultation and democratic supervision, accelerate reform and opening to the outside world, turn the policy decisions of the CPC Central Committee into actual deeds by the cadres and people of all nationalities, implement the plan of developing Xinjiang through the application of science and technology and the promotion of education, develop the socialist productive forces, do a good job in building a clean and honest government and in promoting socialist democracy and legal system, and make achievements in work to usher in the 14th CPC national congress.

In conclusion, Ba Dai urged the CPPCC committee members to enhance their achievements, work even harder, accomplish the tasks of the current committee, and strive to ensure a smooth transition into the next committee.

The session closed amid the majestic National Anthem.

Editorial Discusses 'McDonnell Douglas Deal'

OW0903162792 Taipei CNA in English 1532 GMT
9 Mar 92

[Text] Taipei, March 9 (CNA)—The following editorial appeared in Monday's EXPRESS NEWS, an evening daily published by the CENTRAL NEWS AGENCY.

The McDonnell Douglas Deal

McDonnell Douglas is obviously anxious to get the \$2 billion investment that our Taiwan Aerospace Company has agreed to consider to finance its MD-12 project. But we have reason to feel concerned by some of its recent actions to achieve the objective.

In response to the criticism by congressional opponents that the project would create a new competitor for the U.S. aircraft industry, McDonnell Douglas has tried to downplay the technology transfer that would be involved in the deal. A senior executive of McDonnell Douglas has said that the technology that would be involved in the joint venture is available elsewhere. To further downplay its significance, the executive said the Republic of China already possesses some aeronautics technology as demonstrated in its manufacturing of a new jet fighter.

While McDonnell Douglas' argument may win support for the project in the United States, it, however, creates a problem for Taiwan Aerospace, which is also facing criticism in Taiwan for considering the \$2 billion investment. Since the potential benefit in technology transfer from the deal has been cited as the major justification for the investment, Taiwan aerospace is now under heavier pressure to prove the benefit in technology transfer to our people and our lawmakers.

Furthermore, McDonnell Douglas does not help its cause either by trying to push Taiwan Aerospace and our government to cut short their evaluation of the project, with the threat to look for alternative partners if Taiwan aerospace does not reach a decision soon. Two billion U.S. dollars is not a small amount, even with our huge foreign exchange reserves, and it is incumbent on Taiwan Aerospace and our government to take whatever time necessary to make sure that the investment is a sound one from the business point of view. This means not only an evaluation of the benefit in technology transfer, but also the feasibility of the MD-12 project as a whole and whether there is reasonable chance of returns from the investment. If McDonnell Douglas can't wait and wants to look for other partners, that's fine with us. We are sure Taiwan Aerospace can also find other joint ventures.

We also take exception to the demand by some people in the United States that the U.S. Government places a condition on its approval of the project by asking for our government's pledge not to subsidize it. It is irrelevant whether, as these people argue, subsidies from our government in the pattern of the European Airbus would create an "Asian Airbus" to challenge the U.S. aircraft

industry in the world market. We believe strongly that our government should not be asked to accept restrictions beyond what are applicable to other countries in terms of economic and trade policies. Since the Republic of China has applied to join the general agreement on tariffs and trade, our government should follow every rule under the GATT in terms of government subsidies, no less but also no more.

Minister Urges Germany on Submarine Purchase

OW0903125792 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
8 Mar 92

[From the "National News Hookup" program]

[Text] In an interview with Germany's largest television station ZDF on 6 March, Defense Minister Chen Lu-an said that Taiwan wishes to purchase submarines from Germany and that if the German Government hesitates about this matter because of its over concern about the pressure coming from Communist China, Taiwan will consider buying them from other countries, such as France.

This is the first time a high-ranking official of our government has revealed that we will purchase submarines from France. The amount for purchasing submarines amounts to 190 billion new Taiwan dollars. In its special report entitled "Taiwan Is Eager To Buy German-Made Vessels," the station talked about Taiwan's economic development and its strong interest in purchasing German-made submarines and battleships.

The report also said that Taiwan, known as little tiger in Asia, is an economic giant but a dwarf in terms of political influence and national defense because of its role as a Communist China's rival. [passage indistinct]

Nicaraguan President Ends Five-Day State Visit

OW0703153592 Taipei CNA in English 1446 GMT
7 Mar 92

[Text] Taipei, March 7 (CNA)—Nicaraguan President Violeta Barrios de Chamorro left Taipei for home Saturday afternoon after a five-day state visit to the Republic of China [ROC].

President Li Teng-hui, Premier Hao Po-tsun and other ROC government leaders were at hand to bid farewell to Mrs. Chamorro, who arrived in Taipei on March 3 in the company of a prominent entourage, which includes five cabinet ministers.

President Li expressed hope that the Nicaraguan leader would visit the Republic of China again in the not too distant future. The ROC chief of state has accepted an invitation by Mrs. Chamorro to visit her country at a date yet to be decided.

Earlier in the day, Presidente Li and Chamorro signed a joint communique pledging to further strengthen cooperation between the two countries.

Li reiterated in the communique that the Republic of China would increase investments in the Central American country.

ROC Economic Affairs Minister Vincent Siew will visit Managua to discuss related issues with the Nicaraguan Government, according to the communique.

The two presidents also stressed the need to sign an investment guarantee agreement to facilitate investment cooperation between their countries, the communique said.

ROC Foreign Minister Fredrick Chien and his Nicaraguan counterpart Ernesto Leal signed three agreements Friday to further strengthen bilateral cooperation in diplomatic, agricultural, cultural and other fields.

Under the agreements, the Republic of China will send a group of specialists to help Nicaragua develop its agriculture and encourage local businessmen to invest there.

Seoul Said Not in Hurry for Ties With Mainland

OW0703120292 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
5 Mar 92

[From the "National News Hookup" program]

[Text] Recently high-level South Korean authorities repeatedly and publicly delivered the message that South Korea is not in a hurry to establish diplomatic ties with Communist China, and that it will not sever ties with the Republic of China [ROC]. According to sources, South Korean officials had already indicated a similar stand to our government.

Speaking about these marked changes in South Korea, officials from the Ministry of Foreign Affairs reiterated that our country will maintain Sino-Korean diplomatic ties under all circumstances, and that Korea should judge the matter for itself.

Following Korean President No Tae-u indication to foreign authorities for the first time that South Korea is not in a hurry to establish official diplomatic ties with Communist China, No Chae-wan, South Korea's representative to Communist China and former vice minister of foreign affairs, today openly indicated that South Korea will further improve ties with Communist China, but that it will not sever diplomatic relations with the ROC, which has enjoyed long-term diplomatic relations with South Korea. He also said that South Korea will not bring the issue of its diplomatic ties with the ROC to the negotiating table as a bargaining chip for the establishment of diplomatic ties with Communist China.

Regarding South Korea's continuous official remarks and the development of relations across the Taiwan

Strait, officials of the Ministry of Foreign Affairs said that this is a clear indication of a change in South Korea that is favorable to us. With its international standing improved, South Korea is now a rather important country in Asia; it should understand the current situation and judge for itself if communism is clearly on the decline in the international situation. As for how we should treat the concealed meaning in recent speeches delivered by South Korean officials of dual recognition, the officials said: After the end of the Period of National Mobilization for Suppression of the Communist Rebellion in May of last year, we have, under the condition of one China, recognized Communist China as a political entity. Therefore, we will maintain Sino-Korean diplomatic ties under all circumstances. However, we cannot interfere with South Korea, which practices its sovereign rights, in its handling of relations across the Taiwan Strait in the future.

Philippines Representative Explains Agreement Name

OW0803133092 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
5 Mar 92

[From the "National News Hookup" program]

[Text] (Liu Ta-ren), our representative to the Philippines, yesterday [5 March] said that the main reason for the Sino-Philippines investment guarantee agreement to have been signed under the name of "Taipei-Manila" is the repeated pressure by the Chinese Communists which caused the Philippines Ministries of Foreign Affairs and Justice to insist on using such a name.

When addressing inquiries to the Foreign Affairs Committee yesterday, Legislator (Chang Shih-liang) pointed out that the Sino-Philippines investment guarantee agreement was yet another document signed without prior examination by the Legislative Yuan, and that the matter took him quite by surprise. He indicated that he would request special reports by the Foreign Affairs and Economic Affairs Ministries at the Legislative Yuan session.

(Chang Shih-liang) demanded an immediate reply from (Liu Ta-ren) as to why the Sino-Philippines fishery agreement could be signed last year under the name of the Republic of China even when we were at a disadvantage, whereas the Sino-Philippines investment guarantee agreement had to be signed under the name of "Taipei-Manila" despite our advantageous position. (Liu Ta-ren) replied that the handling of matters related to our country has now been put under the jurisdiction of the Presidential Palace of the Philippines, and that the signing of the fishery agreement last year was a result of coordination by the deputy chief of staff of the Philippines Presidential Palace (Rushila). However, in view of the wide-ranging legal implication of the investment guarantee agreement and the fact that the entire Philippines judicial setup—including the local courts—has yet to recognize our country, the Philippines Ministry of

Trade, Tourism, and Industry decided to sign the agreement with us under the name of Taipei after consulting the Ministry of Foreign Affairs.

Yesterday Representative (Liu Ta-ren) also told the Foreign Affairs Committee of the Legislative Yuan that after Hong Kong's reversion to the Chinese Communists in 1997, Subic Bay Naval Base and Clark Air Base in the Philippines may replace Hong Kong as transit ports for our air and sea freights. Furthermore, (Liu Ta-ren) stressed that in the event the Chinese Communists fails to show goodwill toward our country by that time, the transfer plan might also be used as our bargaining chips in dealing with them. Therefore, the relevant ministries and commissions should seek an early establishment of cooperative relations with the new Philippines government in future in order not to lose this opportunity to Japan or other countries.

Government Continues To Seek GATT Bid Support

*OW0703085592 Taipei CNA in English 0819 GMT
7 Mar 92*

[Text] Taipei, March 7 (CNA)—The Republic of China [ROC] will continue seeking international support for its bid to join the General Agreement on Tariffs and Trade (GATT), an Economics Ministry official said Saturday.

The official made the statement after learning that the Geneva-based world trade promotion body had decided not to discuss Taipei's membership application during its upcoming board meeting.

The country applied to join the 103-member World Trade Forum in January 1990 under the name of "Taiwan, Penghu, Kinmen and Matsu Customs Territory." The GATT Administrative Council has not formally screened Taipei's application mainly because of Peking's unwarranted opposition.

The GATT Council meets once a month to chart the organization's work plan. "Despite its failure to include Taiwan's application in the agenda of its regular monthly meeting slated for March 20," the official said, "the Council is likely to discuss our application in the next few months."

According to GATT regulations, an applicant, with the consent of its Administrative Council, will become a GATT observer. The "hopeful" can then negotiate with GATT contracting parties over its membership bid and will become a full member after winning the approval of two-thirds of GATT members.

With its vibrant economy and free trade system, Taiwan is qualified to join the GATT. Such economic powerhouses as the United States and European Community countries have openly supported Taiwan's accession to the influential world organization devoted to removing all unfair trade practices and barriers.

In addition to Peking's opposition, Board of Foreign Trade (BOFT) officials said, Taipei's application has also been hindered by opposition from some Third World countries.

As developing countries in Africa and west Asia play an important role in the World Trade Forum, the BOFT officials said the country will strengthen efforts to solicit their support.

Peking applied to join the GATT more than four years ago and is now a GATT observer. It has, however, not yet been formally admitted into the organization because its economic and trade system fails to meet GATT requirements.

Relatives Suspect Murder in Lin Family Case

*OW0703092792 Taipei CNA in English 0832 GMT
7 Mar 92*

[Text] Taipei, March 7 (CNA)—The relatives of Taiwanese businessman Lin Chih-hsien who was reported dead in Hainan, Communist China, last month, said Friday they strongly suspected he and his family might have been murdered.

Lin's brother Lin Han-chen, who visited Hainan to handle the incident, and brother-in-law Yang Cheng-tzung gave a press conference to explain their "points of doubt."

Showing photos of the scene where Lin, his wife and seven-year-old son had died, Lin Han-chen and Yang claimed that the three could not have committed suicide by gas, as Communist Chinese public security officials had concluded.

Lin reported that he was allowed to visit his brother's house only three days after he had arrived in Haikou, the capital of Hainan Province.

Inside the house, Lin Han-chen said, he found "many pieces of evidence" like fragments of brain tissue, blood stains, and hairs, yet the mainland authorities had not gathered any fingerprints.

Without even conducting an autopsy of the three bodies and testing their blood, four policemen from Peking's [Beijing] Public Security Ministry announced that the Lins had killed themselves with gas, the brother said.

During the first three days while he was in Hainan, Lin Han-chen said he was neither allowed to identify the bodies at the morgue nor to visit the Lins' house.

And then without his consent, the Communist Chinese cremated all three bodies. "Were they trying to deceive us, to destroy the evidence, or something?" Lin Han-chen asked.

Another frustration Lin Han-chen experienced is that the Communist Chinese authorities repeatedly rejected

his requests to check his dead brother's property list, company accounts, land lease agreements, and even bank accounts.

He said he cannot understand why 550,000 Hong Kong dollars had been withdrawn from his brother's bank account, leaving only a small amount of money.

Besides refusing to let him look at police records of the incident, Lin said he was not even allowed to meet with staff members and the accountant of Lin Chih-hsien's company or his house servant.

Later Lin and Yang visited the Straits Exchange Foundation (SEF) to ask for help in getting to the bottom of the matter.

SEF Secretary General Chen Jung-chieh said that SEF will ask Peking to clear up all their doubts as soon as possible. If necessary, SEF will send staff members to visit the mainland, Chen noted.

First Defense Fighters Delivered to Air Force

*OW1003084792 Taipei CNA in English 0736 GMT
10 Mar 92*

[Text] Taipei, March 10 (CNA)—The Air Force took possession Monday of its first indigenous defense fighter (IDF), developed and manufactured by the Chung Shan Institute of Science and Technology.

It was the first locally made fighter plane to join the air force, Defense Ministry officials said.

They said the institute, a research arm of the Defense Ministry, will soon deliver another nine IDFs to the Air Force.

Mass production of the IDFs will begin after the nine planes are delivered, they reported.

Government Vows To Implement NEC Recommendations

*OW1003085092 Taipei CNA in English 0756 GMT
10 Mar 92*

[Text] Taipei, March 10 (CNA)—A National Economic Conference [NEC] will be held every one or two years to allow government officials, academics and business leaders to jointly chart the course of the country's future economic development, Premier Hao Pei-tsun said Monday.

Addressing the closing ceremony of a two-day National Economic Conference at the Taipei International Convention Center, Hao said many recommendations presented during the meeting were very valuable and the government will strive to carry out them.

"The cabinet will embody conclusions reached at the conference by adopting them as administrative strategies or making them into laws," the premier pledged.

Hao denied that the just-ended conference symbolized an improper link between the government and business circles as some critics have claimed.

"The conference, which brought together some 400 public administrators, economists and industrialists, was intended to point the government and the private sector in the same direction," Hao explained.

The premier encouraged administrators not to be frightened by such criticisms. "I hope government officials will not hesitate to communicate with local enterprises as long as they actually make no illegal profits from such contacts," he stressed. "It's a government duty to create a favorable climate for economic development."

Hao also urged private businesses to invest in some of the major construction projects under the \$300 billion Six-Year National Development Plan designed to propel Taiwan into the ranks of developed countries. "Active private participation will help ensure the success of the massive plan," he noted.

After two days of heated discussion, the participants reached a number of recommendations for addressing various economic problems confronting the country and for boosting domestic industrial development.

The participants agreed that the government should offer tax credits and other financial incentives to encourage private investment in the Six-Year Plan, particularly in the construction of new cities, shopping malls and recreational facilities.

They called for the early implementation of a national health insurance program, standardizing environmental impact evaluation and training professional environmental assessment engineers.

They also suggested that the government study the feasibility of deregulating oil and power-generation industries, further liberalizing the local financial service market, repealing obsolete trade and financial regulations, improving the government's budget system and enhancing administrative efficiency.

On cross-strait relations, the participants recommended that the government study the feasibility of establishing a "China Development Fund" to promote cross-strait economic cooperation. The government was also urged to study the advantages and disadvantages of opening direct cross-strait shipping links and signing a bilateral investment guarantee agreement.

The conference attendants also hoped the government will help local companies develop new chemicals that will not deplete the ozone layer, the earth's natural sunscreen, in order to meet international requirements.

Hong Kong

Lu Ping: PRC Opposes Socialism in Hong Kong

Affirms Freedom To Form Parties

HK0903124292 Hong Kong Television Broadcasts
Limited in English 1115 GMT 9 Mar 92

[Report on interview with Lu Ping, director of China's Hong Kong and Macao Affairs Office under the State Council; Selina Chow, member of the Cooperative Resources Center; independent legislator Andrew Wong; and Yeung Sum, United Democrats vice chairman, by unidentified reporter; place and date not given; from "News at 7:15" program; Lu Ping speaks in Mandarin]

[Text] [Announcer] A top Chinese official responsible for Hong Kong says Beijing would oppose any political party trying to establish socialism in the territory.

[Begin recording] [Reporter] The question of party politics was raised when Hong Kong reporters covering a meeting in Guangzhou, asked Lu Ping what he thought of pro-Beijing groups forming political parties in Hong Kong. For the first time, Beijing spokesman on Hong Kong affairs publicly backed the need for political parties.

[Lu Ping] Because politics in Hong Kong require direct elections, party politics are inevitable. Are they not?

[Reporter] Lu Ping said Hong Kong people wishing to enter politics could form a party. That's their business.

[Lu Ping] That is a matter for Hong Kong people. They may handle it however they wish.

[Reporter] As for pro-Beijing groups, Lu said their forming political parties in Hong Kong does not necessarily mean they want to implement socialism here. And Beijing would adamantly oppose such a thing.

[Lu Ping] If they were to organize a political party to pursue socialism in Hong Kong, then we would resolutely oppose it. This is not a policy of our CPC. Right? We, the CPC, intend to ensure that Hong Kong's capitalist system remains unchanged. Fifty years without change; or even 100 years without change.

[Reporter] But when Lu Ping was asked about British Minister Lord Caithness' comment last week that London would talk to Beijing at the right time about adding more directly elected seats in the 1995 Legislative Council elections, Lu Ping said the number of seats is not negotiable, because it is already enshrined in the Basic Law.

[Lu Ping] This is not negotiable. We cannot do anything illegal. The Basic Law prescribes that the number of seats cannot be amended before 1997. If there were amendments, I would have broken the law. I cannot do a thing which is illegal; it would be absolutely inconceivable.

[Reporter] Lu also stressed that legislators elected in 1995 would have to be confirmed by a future preparatory committee to qualify according to Basic Law stipulations, before they could take the through train to sit on the first Special Administrative Region legislature. [end recording]

[Announcer] Reacting to Lu Ping's comments, legislators say Britain should go ahead and ask for a faster pace of democratization, as that's what Hong Kong people want.

[Begin recording] [Reporter] A leading member of the conservative Cooperative Resources Center, Selina Chow, said Lu Ping is entitled to speak Beijing's mind. But she feels that the British Government's undertaking to press China for more directly elected seats in 1995, is also Britain's prerogative.

[Selina Chow] This is something which a lot of Hong Kong people are very concerned about, and they would like to know what the British Government is going to do about it, and when we will know about it. And I think that we would need to have certainty.

[Reporter] Independent legislator Andrew Wong believes Beijing feels it would undermine its authority if it bows to coercion to change the Basic Law. And the United Democrats vice chairman, Yeung Sum, urged Beijing to respect Hong Kong people's wishes.

[Yeung Sum] I would like to see the Chinese Government can revise, you know, the thing about the revision of the Basic Law, to accommodate the Hong Kong people's wishes.

[Reporter] Yeung also said it's time Lu Ping recognize that party politics in Hong Kong is inevitable.

[Yeung Sum] I think Mr. Lu Ping just recognizes the reality. And lastly, you know he thinks it is something he has to accept.

[Reporter] And Yeung Sum also welcomed any pro-Beijing forces entering Hong Kong's political arena.

[Yeung Sum] If those pro-China forces form a party, it would make them recognize the implementations, or the procedure of the operations of the [Legislative] Council in Hong Kong. It would make them more familiar with the system.

[Reporter] But he noted their success will depend on Hong Kong's voters. [end recording]

Pro-Beijing Officials React

HK1003020392 Hong Kong THE STANDARD
in English 10 Mar 92 pp A-1, 2

[By Joe Wu]

[Text] China's top official in charge of Hong Kong affairs, Lu Ping, yesterday urged the territory's pro-Beijing bodies to organise themselves into political parties to gear up for 1995 elections.

And for the first time, Mr Lu, director of the Hong Kong and Macao Affairs Office under the State Council, admitted publicly the emergence of political parties up to 1997 was inevitable.

But he flatly rejected calls for speeding up the pace of democratisation in Hong Kong before 1997, ruling out the chance of any increase of the 18 directly elected seats in the Legislative Council as agreed in the Basic Law.

"The party politics has emerged because Hong Kong people want democracy. This is inevitable," he said in Guangzhou.

When asked about his opinion about pro-Beijing people to form political parties in the territory, Mr Lu said the matter had to be decided by Hong Kong people themselves.

"As far we understand, if the purpose of organising themselves into political parties is not aimed at introducing socialism in Hong Kong, we would not object.

"But if it they aim to introduce socialism in Hong Kong and set up political parties, we will object because it is not our policy towards Hong Kong," Mr Lu said.

He said that the Chinese government would never negotiate with the British government to increase direct seats in the Legislative Council since it would breach the Basic Law.

"The Basic Law states it cannot be amended before 1997. We cannot do illegal things," he said.

Mr Lu affirmed legislators elected in 1995 had to meet the criteria set by the Basic Law if they wanted to retain their seats after 1997.

Cheng Yiu-tong, chairman of the pro-Beijing Federation of Trade Unions said he was not surprised of Mr Lu's statement and it just showed the fact [as published].

He said the statement would not encourage the pro-China factions to form a political party. "In fact, the pro-China figures are Hong Kong citizens. Why cannot they form their own parties," he said. [sentence as published]

Mr Cheng also agreed with Mr Lu's view that the number of direct seats in Legislative Council should not be increased.

"From the legal point of view, it is reasonable. The Basic Law has been laid down so that I see no ground to amend it."

Pro-Beijing legislator Tam Yiu-chung said he did not believe Mr Lu's views suggested China supported the formation of a pro-China party.

It was reported Mr Tam was lobbying other pro-Beijing figures to form a political party to counter liberals.

He stressed the pro-China party would not advocate implementing socialism in Hong Kong before and after 1997.

"We just organise ourselves to take part in the political arena and follow the principle of Hong Kong people rule Hong Kong and the Basic Law," Mr Tam said.

Yeung Sum, vice-chairman of the United Democrats, said they were not worried about the rise of a pro-China party.

He said amendment of the Basic Law could be legal on the conditions that it was initiated by the Chinese government.

"If Hong Kong people strongly feel the need to increase the direct seats, I think the Chinese government should respect their opinion and amend the Basic Law," Mr Yeung said.

Selina Chow, of the Co-operative Resources Centre, said the British government should continue to seek further negotiations with the Chinese side.

Legislator Andrew Wong also urged the Chinese government to seek talks with the British side.

Hong Kong Affairs Advisers Leave for Beijing

*OW1003121592 Beijing Central People's Radio
Network in Mandarin 1030 GMT 10 Mar 92*

[From the "National Hookup" program]

[Text] The first group of prominent personages who were appointed advisers for Hong Kong affairs by the Chinese Government left Hong Kong this morning by airplane for Beijing. They will attend a certificate presenting ceremony to be held by the Chinese Government and will participate in related activities.

It has been learned that the first group of advisers for Hong Kong affairs consists of 44 persons from various trades in Hong Kong.

Letter Views Role in Transition

*HK1003040992 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 10, 9 Mar 92 p 2*

["Letter From Beijing" by Bao Xin (7637 0207): "Measure Conducive to Smooth, Steady Transition of Hong Kong"]

[Text] Dear Brother: After full deliberations, the State Council's Hong Kong and Macao Affairs Office and the XINHUA NEWS AGENCY Hong Kong Branch have decided to invite by stages and in groups influential and representative figures from various Hong Kong circles to serve as Hong Kong affairs advisers. The ceremony to issue the letters of appointment to the first group of advisers will be held in Beijing on 11 March. From the date of the appointment, the advisers will serve for a term of two years, which can be further extended. This is a constructive move which has been supported and well received by compatriots from various Hong Kong circles.

Hong Kong will return to the motherland on 1 July 1997. By inviting Hong Kong affairs advisers, we can enhance the mainland's contacts with Hong Kong, realize the aspirations of the people from various Hong Kong circles and strata, and extensively collect the opinions of Hong Kong residents. In other words, we can encourage free airing of views and pool the wisdom and efforts of the masses. This will be conducive to the smooth transition in all fields of work in Hong Kong during the transition period. This fully indicates the importance attached by the relevant departments of the central authorities to understanding Hong Kong and listening to the views of Hong Kong people.

As a matter of fact, the relevant departments of the central authorities have always taken such an attitude toward Hong Kong affairs. The drafting and completion of the Hong Kong Basic Law, which was of international and historic significance, remains fresh in our memory. It is a typical example of adherence to the principle of respecting the will of the Hong Kong people and maintaining their interests. The Chinese Government has adopted the policy of "one country, two systems" for settling the question of Hong Kong. Guided by this policy, there is no doubt that Hong Kong will exercise a high degree of autonomy and "Hong Kong people will rule Hong Kong." The invitation of Hong Kong affairs advisers embodies the determination and sincerity of the central government in implementing the policy of "one country, two systems" and its commitment to the concept of "Hong Kong people ruling Hong Kong."

As Hong Kong has now entered the transition period, an increasing number of people there have shown concern for affairs during this period. They long to express their views, opinions, and suggestions to the central government and relevant departments and increase contacts and understanding between the interior and Hong Kong to ensure Hong Kong's prosperity and steady and smooth transition. The relevant departments of the central authorities believe that these requests are reasonable. The invitation of Hong Kong affairs advisers has opened up a new channel for such contacts.

Naturally, Hong Kong affairs advisers are invited individually, and they do not receive any remuneration. No organization, advisory group, consultative committee, or offices will be set up in Hong Kong. It is the common aspiration as well as the common objective of both China and Britain on the Hong Kong issue to maintain Hong Kong's stability, prosperity, and smooth transition. The purpose of the State Council's Hong Kong and Macao Affairs Office and the XINHUA NEWS AGENCY's Hong Kong Branch in inviting Hong Kong affairs advisers is to create favorable conditions for Hong Kong's smooth transition, which will not affect administration of the Hong Kong British Government during the transition period. Therefore, there is no problem of a "second organ of power."

The Hong Kong affairs advisers invited are influential and representative figures from various Hong Kong

circles. They have learning, special knowledge, and the ability to discuss official business. They had made their efforts for Hong Kong's stability and prosperity in the past. After being invited as Hong Kong affairs advisers, we believe they will further contribute their wisdom and valuable experience, go down to various Hong Kong circles to find out the situation there and attentively listen to the opinions of the people, offer valuable ideas and suggestions for Hong Kong's important affairs during the transition period, and become advisers welcomed by the Hong Kong residents.

[Signed] Bao Xin

[Dated] 3 March

Deng's Reform Initiative, Reunification Viewed

HK0703053392 Hong Kong SOUTH CHINA
MORNING POST in English 7 Mar 92 p 8

[By Willy Wo-lap Lam]

[Text] Beijing has decided to speed up national reunification by using the mainland's liberalised economic policy to promote direct trading and other links with Taiwan.

A just-ended Taiwan Work Conference organised by the Chinese Communist Party's Central Committee has vowed to incorporate patriarch Mr Deng Xiaoping's latest initiative on reform into Beijing's reunification strategies.

Beijing also hopes that the promotion of "national Chinese culture" will blunt the edge of Taiwan's independence movement.

Top leaders who attended the five-day conference in the capital included President Mr Yang Shangkun and vice-premier Mr Wu Xueqian.

Other participants included Taiwan affairs, united front, and foreign trade specialists from central and provincial departments.

Sources familiar with China's united front tactics said the communique of the meeting, which was released last night, was remarkable for its positive assessment of Taipei's response to Beijing's overtures.

The document said that, in the past year, bilateral relations had maintained a trend of development and had achieved some breakthroughs.

The conference praised Taipei for having adopted "measures which are beneficial to increasing mutual communication and understanding."

"Taipei has gradually liberalised certain restrictions on interchanges across the Taiwan Strait," the communique said. "it has also raised the idea of developing the Taiwan economy using the mainland as the hinterland."

"This is beneficial to the interests of people on both sides of the Strait."

The conference called on Taiwan to adopt a "positive and practical" stance to wipe out artificial barriers to direct links in areas such as trade and communication.

Political analysts said compared with recent messages for Taiwan, the communique was extremely mild and friendly.

There was no attack on the alleged pro-independence stance held by senior Kuomintang officials.

Insisting that reunification would be achieved peacefully, the communique did not even hint at the use of force against the island.

"Beijing is mainly using economics and culture to speed up interchanges," a source said. "While the (Communist Party) has not given up the military option, it is now alleging it definitely has no timetable for 'liberating' Taiwan."

China analysts said Beijing's Taiwan experts hoped economic reform and investment measures recently announced by Mr Deng would help economic integration between Fujian and Taiwan by luring Taiwanese businessmen and tourists.

Beijing has also organised a series of seminars, exhibitions and delegations related to the spread of greater-Chinese culture.

Sources said the meeting also discussed ways to promote links between Beijing's Association for Relations Across the Taiwan Strait and Taipei's Straits Exchange Foundation.

Both are quasi-official bodies which have held regular talks on issues including the prevention of crime in the Taiwan Strait.

Macao

Macao Basic Law Drafting Committee Ends Session

Limit on Deputies Expected to End

HK0703065392 Hong Kong THE STANDARD
in English 7 Mar 92 p A-5

[By Harald Bruning in Macao]

[Text] The final plenary session of the Macao Basic Law Drafting Committee is expected to abolish a 20 percent ceiling on non-Chinese deputies in the future Macao legislature.

The limit was originally proposed by China but was criticised last year during public consultation on the draft.

Representatives of the Portuguese community in Macao and liberal Chinese were disappointed by the meeting held in Guangzhou because the final draft of the Basic Law will not include a ban on capital punishment.

Portuguese lawyers and Chinese liberals have lobbied for the inclusion of an article which would outlaw the introduction of the death penalty in Macao after 1999.

Chinese drafters argued it was up to the future government of the Macao Special Administrative Region [SAR] to decide on the issue.

The Basic Law draft includes a reference to Macao's "tourism and amusement industry." According to Article 119 of the draft, the Macao SAR "defines by itself and in harmony with its local interests in general, the policy on the amusement and tourism industry."

The article implicitly gives the green light to the post-1999 government of Macao to retain its thriving gambling industry analysts said.

Session Chairman Praises Work

OW1003014992 Beijing XINHUA Domestic Service
in Chinese 0816 GMT 9 Mar 92

[By reporters Zhou Cipu (0719 1964 2883) and Sun Chengbin (1327 2110 2430)]

[Text] Guangzhou, 9 March (XINHUA)—The Drafting Committee for the basic law of the Macao Special Administrative Region [MSAR] concluded its eighth plenary session here today after successfully fulfilling the session's agenda.

Today's session was presided over by Ji Pengfei, chairman of the committee. In an address to the closing session, he praised the committee members for deliberating and approving the draft basic law of the MSAR in a spirit of responsibility and earnestness. He said that this marked another significant success in the work of drafting the basic law.

Ji Pengfei said that the session had selected the best flag and emblem of the MSAR from the three sets of flags and emblems recommended by the Selection Committee for the flag and emblem of the MSAR, and it had asked the Selection Committee to make further revisions of the flag and emblem in accordance with the suggestions of the members of the Drafting Committee.

He said that the approved draft basic law will be submitted to the Standing Committee of the National People's Congress [NPC] for deliberation and will be made public by the NPC Standing Committee to further solicit public opinion in both Macao and the mainland.

Ji Pengfei pointed out that the next major task will be to do a good job in soliciting public opinion on the draft basic law and in further revising the relevant articles of the law. At the same time, the Selection Committee should do a good job in revising the flag and emblem of the MSAR. The Drafting Committee will convene an enlarged chairmanship meeting and then submit the revised draft basic law and the selected flag and emblem designs to its ninth plenary session for deliberation and approval, after which they will be submitted to the NPC for deliberation.

A communique on the current session was adopted at today's meeting, which was attended by 43 committee members.

'Text' of Communique

*OW0903131992 Beijing XINHUA Domestic Service
in Chinese 0848 GMT 9 Mar 92*

["Text" of communique adopted at the closing ceremony of the Eighth Plenary Session of the Committee for Drafting the Basic Law of the Macao Special Administrative Region held in Guangzhou on 9 March]

[Text] Guangzhou, 9 March (XINHUA)—The eighth plenary session of the Committee for Drafting the Basic Law of the PRC's Macao Special Administrative Region [SAR] was held in Guangzhou 5-9 March 1992.

Participants at the session heard work reports submitted by the five special groups in charge of relationships between the central authorities and the Macao SAR, the fundamental rights and duties of SAR residents, and the SAR's political structure, economy, and cultural and social affairs. They also heard a work report presented by the committee for screening flag and emblem designs for the Macao SAR, an explanation provided by Secretary General Lu Ping on behalf of an expanded meeting of various committee chairmen on the "discussion version" of the "Basic Law of the Macao SAR of the PRC (Draft)," and a report submitted by Consultative Committee Chairman Cui Deqi on the opinions collected from all sectors in Macao by his committee. Committee members then held a serious discussion of the version of the basic law presented at the session.

The participants adopted by secret ballot two motions suggesting amendments to the version, the "Basic Law of the Macao SAR of the PRC (Draft)"; the "Decision of the National People's Congress [NPC] on the Methods for the Formation of the First Government, the First Legislative Council, and Judicial Organs of the Macao Special Administrative Region (Draft)"; and the "Proposal by the Committee for Drafting the Basic Law of the Macao SAR on the Establishment of the Committee for the Basic Law of the Macao SAR Under the NPC Standing Committee." They also decided to submit the documents to the NPC Standing Committee for deliberation and promulgation to solicit opinions.

The participants evaluated three sets of flag and emblem designs recommended for the Macao SAR by the screening committee. They decided to commission the screening committee to modify the designs according to the results of the evaluation and the opinions of committee members and to submit the modifications to the ninth plenary session for adoption.

The participants noted: The consultative committee has provided effective assistance to the drafting of the basic law by performing a great deal of consultative and

propaganda work over the past three years. The drafting committee would like to express its gratitude toward the consultative committee and toward people in all walks of life in Macao and Mainland China who have shown concern and support for the drafting of the basic law.

The participants decided to hold the ninth plenary session 12-16 January 1993 in Beijing. The main items on the agenda will include the deliberation and adoption of the "Basic Law of the Macao SAR of the PRC (Draft)," which will be amended in accordance with the opinions canvassed in yet another round of surveys. The draft will then be submitted to the first session of the Eighth NPC for deliberation.

Committee Member Discusses Draft Law

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[By XINHUA reporters Sun Chengbin (1327 2110 2430) and Zhou Cipu (0719 1964 2613): "The Completion of the Draft Law, a Great Accomplishment in the Annals of Macao—Interview with Ma Man Kei, Vice Chairman of the Committee for Drafting Basic Law of Macao Special Administrative Region (MSAR)"]

[Text] Guangzhou, 9 March [XINHUA]—In a recent interview, Ma Man Kei, vice chairman of the MSAR Committee for Drafting the Basic Law, told reporters that the passing of the MSAR basic law (draft) has enhanced the Macao residents' confidence and will have a positive effect on Macao's social stability and economic development.

Mr. Ma was interviewed by reporters in Guangzhou while attending the eighth plenary session of the Committee for Drafting the Basic Law of the MSAR. He indicated that the restoration of sovereignty over Macao will be an honor for all Chinese people. The draft basic law specifically stipulates that after its return to the motherland, Macao will maintain its original social system, and both its law and the residents' way of life will remain basically unchanged. This fully embodies the concept of "one country, two systems" and is in accord with the Sino-Portuguese joint statement. It has removed a number of Macao residents' concerns and has strengthened the citizens' confidence. It will have a positive effect on Macao's stability.

Speaking of the drafting of the basic law, Ma Man Kei said: During the course of drafting the basic law, members of the drafting committee extensively solicited the views of people of all circles in Macao. The basic law (draft) conforms with Macao's reality and is widely welcomed by Macao residents. The concept of "one country, two systems" has struck root in the hearts of the people.

As chairman of the Macao's Chinese Chamber of Commerce, Ma Man Kei believed the passing of the basic law (draft) will contribute to Macao's economic development and will further promote the links between Macao

and the interior. He said that foreign investment in Macao will become more vigorous. The rich resources of the interior and its huge market and abundant labor will become important factors in Macao's further economic growth. Macao's return to the great family of the motherland benefits both Macao itself and the interior.

To celebrate the passing of the basic law (draft), Mr. Ma also wrote a poem, which reads: "The completion of the draft basic law, a great accomplishment in the annals of Macao." These lines express Macao compatriots' expectation and trust in the basic law and his full confidence in Macao's future.

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